Finance
Special Operating Agencies Financing Authority

Annual Report
2003-2004

Manitoba

Finances
Office de financement
des organismes de service spécial

Annual Report
2003-2004

Manitoba

Minister of
Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

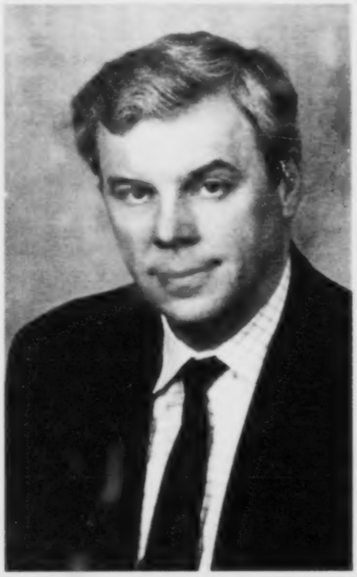
The Honourable John Harvard
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Twelfth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2004.

Respectfully submitted,

Honourable Greg Selinger
Minister



Minister of
Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

À son Honneur
L'honorable John Harvard
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C OV8

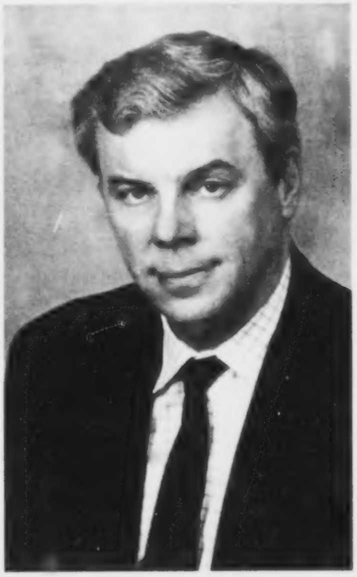
Monsieur le Lieutenant-gouverneur,

J'ai le privilège de présenter à Votre Honneur, à titre d'information, le douze rapport annuel de l'Office de financement des organismes de service spécial pour l'exercice terminé le 31 mars 2004.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Le ministre des Finances,

Greg Selinger



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Manitoba

Finance

Treasury Board Secretariat

2nd Floor - 386 Broadway
Winnipeg, Manitoba
R3C 3R6

Honourable Greg Selinger
Minister of Finance
Room 103, Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Minister:

I have the honour to submit for your consideration the Twelfth Annual Report of the Special Operating Agencies Financing Authority for the fiscal year ended March 31, 2004.

Respectfully submitted,

Wayne McIntosh

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

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The Special Operating Agencies Initiative

The Province of Manitoba adopted Special Operating Agencies (SOAs) as a program delivery and financing option in 1992. SOAs are service operations within government granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. Through strengthened accountability to their Minister and central government, they can improve the delivery of services by:

- ensuring operations are clearly defined and well understood;
- setting demanding performance goals and developing strategies for attaining them;
- applying the best public sector management practices; and
- monitoring performance to ensure continuous progress toward goals.

The aim of SOAs is to give greater authority and scope to managers and employees to encourage initiative, enhance service, and reduce the cost of government. Service and management improvements are built on pride in the capabilities and dedication of the professional Civil Service. The ultimate success of SOAs depends on people and the enthusiasm they bring to the job.

SOAs exist somewhere along an organizational continuum between a government department and a Crown corporation. Candidates can be direct public services, internal services to government, science and technology services, or regulatory and enforcement programs. In addition to accounting fully for their operations, they must be dedicated to improving service quality and efficiency.

SOAs are manifestations of the *New Public Management*, variations of which have proven successful at the federal level in Canada and abroad. Encouraged by these experiments, the development of SOAs in Manitoba is a matter of government policy, consistent with continuing alternative service delivery efforts.

L'initiative relative aux organismes de service spécial

En 1992, la province du Manitoba a adopté les organismes de service spécial (OSS) à titre d'option de financement et de prestation de programmes. Les OSS, qui assurent un soutien logistique au sein du gouvernement, ont des responsabilités plus directes en ce qui concerne les résultats et une plus grande souplesse de gestion nécessaire pour atteindre de nouveaux niveaux de rendement. Moyennant une responsabilité accrue à l'égard de leur Ministre et du gouvernement central, ils peuvent améliorer la prestation des services :

- en veillant à ce que les activités soient clairement définies et bien comprises;
- en se fixant des objectifs de rendement élevés et en élaborant des stratégies pour les atteindre;
- en appliquant les meilleures pratiques de gestion du secteur public;
- en surveillant le rendement afin de garantir une progression continue vers les objectifs.

Les OSS ont pour but d'élargir le pouvoir et la portée des gestionnaires et des employés afin d'encourager l'initiative, d'améliorer les services et de réduire le coût de l'administration publique. L'amélioration des services et de la gestion repose sur la fierté des capacités et le dévouement d'une fonction publique professionnelle. Le succès des OSS dépend, en définitive, des personnes et de leur enthousiasme au travail.

Dans le continuum organisationnel, les OSS se situent quelque part entre les ministères et les sociétés d'État. Les candidats peuvent être des services publics directs, des services internes du gouvernement, des services scientifiques et technologiques ou des programmes de réglementation et d'application de la loi. En plus de rendre totalement compte de leurs activités, ils doivent constamment s'efforcer d'améliorer la qualité et l'efficacité du service.

Les OSS sont des manifestations de la *nouvelle gestion publique* dont des variantes se sont révélées fructueuses au palier fédéral au Canada et à l'étranger. Encouragé par ces expériences, le Manitoba a fait de la mise sur pied d'OSS une question de politique gouvernementale, conforme aux efforts continus visant à offrir d'autres solutions en matière de prestation de services.

The Fleet Vehicles Agency was established as the first SOA in Manitoba and at the provincial level in Canada. Within four years of establishment as a SOA, it served government transportation needs with 20% fewer vehicles, at 5% below market prices, for an estimated saving of close to $6 million. Building on this success, the complement of SOAs has reached seventeen, representing $129 million in business for government. The schedule of SOAs follows.

L'Organisme chargé des véhicules gouvernementaux a été le premier OSS créé au Manitoba et au palier provincial au Canada. Depuis sa création, il y a quatre ans, il a répondu aux besoins du gouvernement en matière de transport avec 20 % de moins de véhicules, à 5 % en dessous des prix du marché et en faisant réaliser des économies estimées à près de 6 millions de dollars. Fort de ce succès, le Manitoba compte maintenant 17 OSS qui représentent 129 millions de chiffre d'affaires pour le gouvernement. Voici l'ordre chronologique de création des OSS manitobains.

MANITOBA'S 17 SPECIAL OPERATING AGENCIES	**LES 17 ORGANISMES DE SERVICE SPÉCIAL DU MANITOBA**
1992/93 Fleet Vehicles Agency	**1992-1993** Organisme chargé des véhicules gouvernementaux
1993/94 Materials Distribution Agency	**1993-1994** Organisme chargé de la distribution du matériel
1994/95 Organization and Staff Development Vital Statistics Agency	**1994-1995** Organisme chargé du perfectionnement et de la formation Bureau de l'état civil
1995/96 Civil Legal Services MERLIN Land Management Services Pineland Forest Nursery	**1995-1996** Bureau du contentieux civil MERLIN Services de gestion foncière Pépinière de la forêt de Pineland
1996/97 Companies Office Manitoba Text Book Bureau Mail Management Agency Industrial Technology Centre The Public Trustee Office of the Fire Commissioner Food Development Centre	**1996-1997** Office des compagnies Centre des manuels scolaires du Manitoba Organisme de gestion du courrier Centre de technologie industrielle Curateur public Bureau du commissaire aux incendies Centre de développement des produits alimentaires
1997/98 The Property Registry	**1997-1998** Office d'enregistrement des titres et des instruments
1999/2000 Manitoba Securities Commission	**1999-2000** Commission des valeurs mobilières du Manitoba

The Province continues to refine the SOA concept. Additional agencies will be considered in future years based on priority and acceptability.

Other governments are looking increasingly to Manitoba's initiative as a model for their operations. SOAs are seen as a practical, enterprising response to the very difficult fiscal and service delivery challenges facing government today.

La province continue d'améliorer le concept des OSS. D'autres organismes seront envisagés dans les années à venir, selon les priorités et l'acceptabilité.

D'autres gouvernements étudient de plus en plus l'initiative du Manitoba afin de s'en inspirer. Les OSS sont considérés comme étant une réponse pratique et dynamique aux défis très délicats sur le plan financier et sur celui de la prestation de services que le gouvernement doit relever aujourd'hui.

The Special Operating Agencies Financing Authority

The SOA Financing Authority was established April 1, 1992 under authority of ***The Special Operating Agencies Financing Authority Act.*** The Financing Authority and its Chairperson operate under the direction of the Minister of Finance. Treasury Board acts as the primary decision-making body, while the Department of Finance and Treasury Board Secretariat supply staff support.

The Financing Authority provides a mechanism for funding SOAs outside the parameters of the Consolidated Fund. It holds and acquires assets associated with SOA operations and finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like way within government policy expectations.

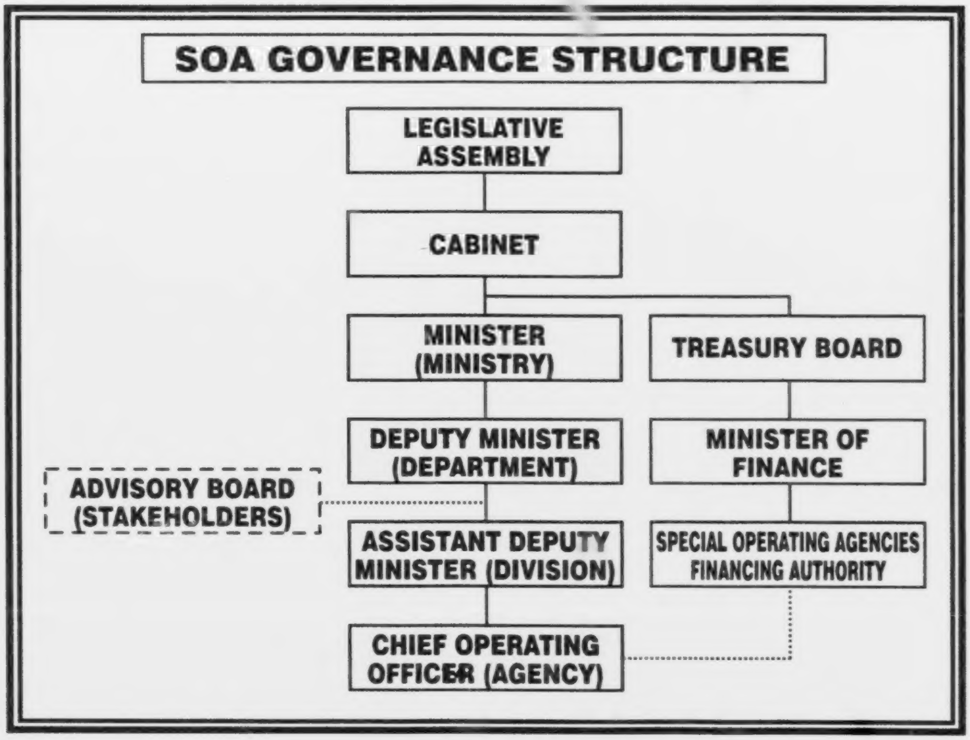
Each agency has an operating charter and management agreement that outline its individual governance and administrative arrangements. Accountability is assured through annual business plans, audits, and reports forwarded through its advisory board to the Financing Authority. In turn, the Financing Authority is audited and submits an annual report on overall SOA operations to the Minister of Finance for tabling in the Legislature. The governance structure is depicted below.

L'Office de financement des organismes de service spécial

L'Office de financement des OSS a été créé le 1er avril 1992 en vertu de la ***Loi sur l'Office de financement des organismes de service spécial.*** L'Office de financement et son président agissent sous la direction du ministre des Finances. Le Conseil du Trésor est le principal organe décisionnel, tandis que le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le personnel auxiliaire.

L'Office de financement permet de financer les OSS en dehors des paramètres du Fonds consolidé. Il détient et acquiert des actifs liés aux activités des OSS, qu'il finance par le biais de capitaux d'apport, de prêts remboursables et d'avances de fonds de roulement. Ce cadre financier permet aux OSS de fonctionner comme des entreprises tout en respectant les attentes politiques du gouvernement.

Chaque organisme a une charte et un accord de gestion qui exposent sa régie et les dispositions administratives le concernant. La responsabilité est assurée par des plans d'activités, des vérifications et des rapports annuels qui sont transmis à l'Office de financement par l'intermédiaire du conseil consultatif de chacun. L'Office de financement lui-même fait l'objet d'une vérification et remet un rapport annuel sur les activités globales des OSS au ministre des Finances, qui le déposera à l'Assemblée législative. La structure de régie est présentée ci-dessous.


SOA GOVERNANCE STRUCTURE
LEGISLATIVE ASSEMBLY
CABINET
MINISTER (MINISTRY)
TREASURY BOARD
DEPUTY MINISTER (DEPARTMENT)
MINISTER OF FINANCE
ADVISORY BOARD (STAKEHOLDERS)
ASSISTANT DEPUTY MINISTER (DIVISION)
SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
CHIEF OPERATING OFFICER (AGENCY)

The Chairperson of the Financing Authority is also the SOA Coordinator, who reports to the Secretary to Treasury Board. The mission is:

> *To provide corporate leadership, direction, and coordination of the Special Operating Agencies reform initiative, with a view to continuously improving the quality of management and services across the Manitoba Government.*

The position is responsible for coordinating the planning, design, implementation, and evaluation of SOAs.

A small percentage of the incumbent's time is devoted to the governance role as Chairperson and sole member comprising the Financing Authority. In this capacity, the incumbent oversees and manages the Financing Authority's affairs in compliance with statutory, policy, and management requirements. Much of this work concerns final approvals leading to start-up of new SOAs, as well as ongoing accountability requirements for established SOAs.

The Department of Finance and Treasury Board Secretariat provide for the Chairperson's/Coordinator's basic salary, benefits, and operating costs in support of this corporate initiative. In addition, SOAs are assessed an annual levy to fund identifiable expenses associated with Financing Authority operations. The levy is prorated against the Financing Authority's annual budget based on each SOA's projected gross revenue.

Le président de l'Office de financement est également coordonnateur des OSS et il relève du Secrétariat du Conseil du Trésor. Il a pour mission de :

> *Fournir une orientation, une coordination et un leadership généraux dans l'initiative de réforme des organismes de service spécial, l'objectif étant de d'améliorer constamment la qualité de la gestion et des services dans tout le gouvernement du Manitoba.*

Le président est chargé de coordonner la planification, la conception, la mise en œuvre et l'évaluation des OSS.

Le titulaire consacre une petite partie de son temps au rôle de gestion en sa qualité de président et de membre unique de l'Office de financement. À ce titre, il supervise et gère les affaires de l'Office de financement conformément aux exigences réglementaires, politiques et de gestion. Une bonne partie de son travail concerne les approbations finales conduisant à la création de nouveaux OSS ainsi que les obligations redditionnelles des OSS existants.

Le ministère des Finances et le Secrétariat du Conseil du Trésor fournissent le salaire de base, les avantages sociaux et les coûts de fonctionnement du président/coordonnateur, en appui à cette initiative collective. De plus, une contribution annuelle est prélevée sur les OSS pour financer les dépenses identifiables liées aux activités de l'Office de financement. La contribution est calculée au prorata, par rapport au budget annuel de l'Office de financement, en se fondant sur le revenu brut prévisionnel des OSS.

2003/04 Operations

The operations of the Financing Authority for the fiscal year ended March 31, 2004 were limited to the operations and financial results of the seventeen SOAs. The auditors' opinions and related management reports are included with the agencies' financial statements as an appendix to this report.

Financial Highlights

- Increase of $3,695,000 (2003 - $2,873,000) in the balance of retained earnings to $36,620,000 (2003 - $32,925,000).
- Transfer of $12,350,0000 (2003 - $11,846,000) in designated surpluses to the Consolidated Fund on behalf of the Fleet Vehicles Agency ($1,500,000), Materials Distribution Agency ($400,000), Civil Legal Services ($200,000), Land Management Services ($250,000), Companies Office ($800,000), The Property Registry ($3,500,000), and Manitoba Securities Commission ($5,700,000).
- Aggregate authority of up to $20,370,000 (2003 - $20,370,000) in working capital advances at any one time, $7,701,000 (2003 - $7,749,000) of which was utilized at fiscal year-end.
- Decrease of $1,958,000 (2003 $1,212,000 - increase) in the balance of long-term debt to $13,176,000 (2003 - $15,134,000).

Preparations for New Agencies and Subsequent Events

During 2003/04, the Financing Authority did not arrange SOA status for any new agencies. Work with a few service operations within government continued into 2004/05.

Activités pendant l'exercice 2003-2004

Pendant l'exercice qui s'est terminé le 31 mars 2004, les activités de l'Office de financement se sont limitées aux activités et aux résultats financiers des dix-sept OSS. Les avis des vérificateurs et les rapports de gestion connexes sont joints aux états financiers des organismes en annexe au présent rapport.

Faits saillants financiers

- Augmentation de 3 695 000 $ (2003 – 2 873 000 $) du solde des bénéfices non répartis, qui passe à 36 620 000 $ (2003 – 32 925 000 $).
- Transfert de 12 350 000 $ (2003 – 11 845 000 $), à titre de surplus désignés, au Fonds consolidé, au nom de l'Organisme chargé des véhicules gouvernementaux (1 500 000 $), de l'Organisme chargé de la distribution du matériel (400 000 $), du Bureau du contentieux civil (200 000 $), des Services de gestion foncière (250 000 $), de l'Office des compagnies (800 000 $), de l'Office d'enregistrement des titres et des instruments (3 500 000 $) et de la Commission des valeurs mobilières du Manitoba (5 700 000 $).
- Pouvoir global de 20 370 000 $ (2003 – 20 370 000 $) en avances de fonds de roulement à tout moment, dont 7 701 000 $ (2003 – 7 749 000 $) avaient été utilisés à la fin de l'exercice.
- Diminution de 1 958 000 $ (2003 – augmentation de 1 212 000 $) du solde des dettes à long terme, qui passent à 13 176 000 $ (2003 – 15 134 000 $).

Préparations pour de nouveaux organismes et des manifestations ultérieures

Durant l'exercice 2003-2004, l'Office de financement n'a organisé le statut d'OSS pour aucun nouvel organisme. Les travaux ont continué dans l'exercice 2004-2005 sur une liste restreinte.

Accomplishments

In the past year, the Acting Chairperson/Coordinator:

- examined the suitability of a few service operations in departments for SOA Status.
- delivered Briefings related to the SOA Initiative;
- prepared and issued the 2002/03 Financing Authority annual report;
- undertook a tendering process to appoint a public accounting firm as external auditors of the Materials Distribution Agency for a five-year period commencing March 31, 2004;
- reviewed and advised on note changes proposed by external auditors to SOA financial statements; and
- assisted with the organization of the Philippine-Canada Study Tour on Alternative Service Delivery.

Réalisations

Au cours de l'année écoulée, le président/coordonnateur par intérim :

- a examiné quelques services au sein de ministères afin de déterminer s'ils répondent aux critères pour obtenir le statut d'OSS;
- a présenté des séances d'information ayant trait à l'Initiative relative aux organismes de service spécial;
- a préparé et publié le rapport annuel 2002-2003 de l'Office de financement;
- a entrepris un processus d'appel d'offres dans le but de nommer une firme d'experts-comptables à titre de vérificateurs externes de l'Organisme chargé de la distribution du matériel pour une période de cinq ans débutant le 31 mars 2004;
- a examiné les propositions faites par les vérificateurs externes de modifier les notes dans les états financiers des OSS et a donné son avis;
- a contribué à l'organisation du voyage d'études Philippines-Canada sur les différents modes de prestation des services.

2004/05 Plans

In the coming year, the Acting Chairperson/Coordinator will:

- examine the financial viability of service operations within departments for potential 2005/06 or subsequent start-up;
- deliver Briefings related to the SOA Initiative;
- arrange SOA status for one new Agency, the Crown Lands and Property Agency;
- prepare and issue the 2003/04 Financing Authority annual report; and
- undertake tendering processes to appoint public accounting firms as external auditors of the Manitoba Securities Commission, the Vital Statistics Agency, and the Manitoba Education Research and Learning Information Networks Agency for a five-year period commencing March 31, 2005.

Plans pour l'exercice 2003-2004

Au cours de l'année à venir, le président/coordonnateur par intérim :

- examinera la viabilité financière de services au sein des ministères en vue d'une éventuelle mise en route en 2005-2006 ou plus tard;
- présentera des séances d'information ayant trait à l'Initiative relative aux organismes de service spécial;
- prendra les dispositions nécessaires pour qu'un nouvel organisme, la Crown Lands and Property Agency, obtienne le statut d'OSS.
- préparera et publiera le rapport annuel 2003-2004 de l'Office de financement;
- lancera un processus d'appel d'offres dans le but de nommer des cabinets d'expertise comptable comme vérificateurs externes au service de la Commission des valeurs mobilières du Manitoba, du Bureau de l'état civil et des Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba pour une période de cinq ans débutant le 31 mars 2005.

Agency Results through 2003/04

The following pages profile the operations and performance of the seventeen SOAs operating during the 2003/04 fiscal year. The agencies' 2003/04 annual reports should be consulted for further information.

The SOA balanced scorecard summarizes world-class outcomes in delivering services for Manitobans.

Combined financial results:

- 21% ($30.6 million) cost-savings to government in 2003/04
- 61% ($49 million) growth in revenues through 2003/04
- 287% ($82 million) growth in assets through 2003/04
- 99.5% ($10.9 million) repayment of original long-term debt owing to the Province through 2003/04
- 214% ($38 million) return on Manitoba's contributed equity through 2003/04
- $87.5 million in surpluses committed to the provincial treasury through 2004/05.

Private sector economic development:

- 2,752 employment opportunities through 2003/04
- $192 million impact on private sector salaries, sales, R&D, cost-savings, and investment through 2003/04.

Improved service (averaged across SOAs reporting relevant metrics):

- 99% on-time response to client requests in 2003/04
- 36% increase in service volume through 2003/04
- 96% client/stakeholder satisfaction in 2003/04.

Résultats des organismes durant l'exercice 2003-2004

Les pages suivantes établissent le profil des activités et des résultats des dix-sept OSS opérationnels durant l'exercice 2003-2004. Pour plus de détails, veuillez consulter les rapports annuels des organismes pour l'exercice 2003-2004.

L'équilibre de la structure des OSS résume des résultats de tout premier ordre en ce qui concerne la prestation des services aux Manitobains.

Résultats financiers combinés :

- 21 % (30,6 millions de dollars) d'économies pour le gouvernement pendant l'exercice 2003-2004
- 61 % (49 millions de dollars) de croissance des recettes pendant l'exercice 2003-2004
- 287 % (82 millions de dollars) de croissance de l'actif pendant l'exercice 2003-2004
- 99,5 % (10,9 millions de dollars) de remboursement de la dette à long terme initiale à l'égard de la province pendant l'exercice 2003-2004
- 214 % (38 millions de dollars) de rendement sur le capital d'apport du Manitoba pendant l'exercice 2003-2004
- 87,5 millions de dollars d'excédents versés au Trésor provincial pendant l'exercice 2004-2005.

Développement économique du secteur privé :

- 2 752 possibilités d'emploi pendant l'exercice 2003-2004
- 192 millions de dollars en ventes, R-D, économies et investissements courants et futurs pendant l'exercice 2003-2004.

Amélioration du service (en moyenne des OSS qui transmettent les paramètres pertinents) :

- 99 % de ponctualité dans les réponses aux demandes de renseignements des clients pendant l'exercice 2003-2004
- 36 % d'augmentation du volume de services pendant l'exercice 2003-2004
- 96 % de satisfaction des clients et des personnes intéressées pendant l'exercice 2003-2004.

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Fleet Vehicles Agency	Transportation and Government Services	Dennis Ducharme Chief Operating Officer 626 Henry Avenue Winnipeg, MB R3A 1P7 (204) 945-3680 (204) 957-1109 (fax) dducharme@gov.mb.ca www.fva.gov.mb.ca French Language Services: Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	April 1, 1992	To provide complete vehicle and equipment management services for the Manitoba Government and broader public sector.
Organisme chargé des véhicules gouvernementaux	Voirie et Services gouvernementaux	Dennis Ducharme Directeur général 626, avenue Henry Winnipeg (Manitoba) R3A 1P7 (204) 945-3680 (204) 957-1109 (télécopieur) dducharme@gov.mb.ca www.fva.gov.mb.ca Services en français : Derek Boutang (204) 945-4326 deboutang@gov.mb.ca	1er avril 1992	Fournir des services complets de gestion de l'équipement et des véhicules au gouvernement du Manitoba et au secteur public en général.
Materials Distribution Agency	Transportation and Government Services	Susan Boulter Chief Operating Officer #7 – 1715 St. James Street Winnipeg, MB R3H 1H3 (204) 945-6043 (204) 945-6370 (fax) sboulter@gov.mb.ca French Language Services: Peter Roberts (204) 945-0391 proberts@gov.mb.ca	April 1, 1993	To provide complete materials management services for the Manitoba Government and broader public sector.
Organisme chargé de la distribution du matériel	Voirie et Services gouvernementaux	Susan Boulter Directrice générale 1715, rue St. James, bureau 7 Winnipeg (Manitoba) R3H 1H3 (204) 945-6043 (204) 948-2737 (télécopieur) sboulter@gov.mb.ca Services en français : Peter Roberts (204) 945-0391 proberts@gov.mb.ca	1er avril 1993	Fournir des services complets de gestion du matériel au gouvernement du Manitoba et au secteur public en général.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
59	Revenue	29,653	28,233	• 10% average annual return on revenue • $8.2 million long-term debt retired fifteen years ahead of schedule • 20% fewer vehicles in fleet by 1995, resulting in $5 million annual cost-saving • launched ambulance replacement and management program with100 ambulances leased to Manitoba Health for use by the Regional Health Authorities • 34.6% lower than projected days sales in receivables in 2004. • >90% productivity on shop floor for maintenance and repairs • <1% client comeback rate • 100% client retention following conversion to optional services in 1996
	Expenses	(27,483)	(26,346)	
	Net Income (Loss)	2,170	1,887	
	Revenue Sharing	(1,500)	(1,500)	
	Retained Earnings	13,622	13,339	
59	Recettes	29 653	28 233	• 10 % de rendement moyen annuel sur les recettes • 8,2 millions de dollars de dettes à long terme remboursées avec 15 ans d'avance sur l'échéancier • 20 % de moins de véhicules dans le parc en 1995, soit une économie annuelle de 5 millions de dollars • lancement d'un programme de remplacement et de gestion des ambulances dont 100 ambulances louées à Santé Manitoba qui sont utilisées par les offices régionaux de la santé • 34,6 % de réduction du délai moyen prévu de règlement des comptes clients en 2004 • >90 % de productivité dans les ateliers pour l'entretien et les réparations • <1% des clients sont insatisfaits • 100 % des clients conservés après la conversion aux services facultatifs, en 1996
	Dépenses	(27 483)	(26 346)	
	Résultat net (Perte)	2 170	1 887	
	Partage des recettes	(1 500)	(1 500)	
	Bénéfices non répartis	13 6222	13 339	
52	Revenue	20,782	20,609	• $732,200 original and $513,600 subsequent long-term debt retired six and three years ahead of schedule, respectively • $100,000 sales volume discounts for preferred clients in 2003/04 • Met turnaround time 99% of time in 2003/04 • 19,000 new public clients under Home Care Program since 1997 • 99% supply of in-stock items
	Expenses	(20,380)	(20,249)	
	Net Income (Loss)	402	360	
	Revenue Sharing	(400)	(400)	
	Retained Earnings	3,963	3,921	
52	Recettes	20 782	20 609	• 732 200 $ de dettes originales et 513 600 $ de dettes ultérieures à long terme remboursées avec six et trois ans d'avance sur l'échéancier, respectivement • 100 000 $ d'escompte sur le volume de ventes aux clients privilégiés en 2003-2004 • Délais d'exécution respectés 99 % du temps en 2003-2004 • 19 000 nouveaux clients publics dans le cadre du Programme de soins à domicile depuis 1997 • 99 % de fourniture d'articles en stock
	Dépenses	(20 380)	(20 249)	
	Résultat net (Perte)	402	360	
	Partage des recettes	(400)	(400)	
	Bénéfices non répartis	3 963	3 921	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Organization and Staff Development	Civil Service Commission	Edna Dickson Director 935 - 155 Carlton Street Winnipeg, MB R3C 3H8 (204) 945-3189 (204) 948-2165 (fax) edickson@gov.mb.ca www.gov.mb.ca/csc/osd French Language Services: Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	April 1, 1994	To provide training and consulting services that support implementation of corporate human resource priorities and that improve organization effectiveness in the Manitoba Government and broader public sector.
Organisme chargé du perfectionnement et de la formation	Commission de la fonction publique	Edna Dickson Directeur 155, rue Carlton, bureau 935 Winnipeg (Manitoba) R3C 3H8 (204) 945-3189 (204) 948-2165 (télécopieur) edickson@gov.mb.ca www.gov.mb.ca/csc/osd Services en français : Diane Netzel (204) 945-2276 dnetzel@gov.mb.ca	1er avril 1994	Fournir des services de formation et de conseils en appui à la mise en œuvre des priorités en matière de ressources humaines ministérielles et de façon à améliorer l'efficacité organisationnelle du gouvernement du Manitoba et du secteur public en général.
Vital Statistics Agency	Finance	Caroline Kaus Director 254 Portage Avenue Winnipeg, MB R3C 0B6 (204) 945-8178 (204) 945-0424 (fax) ckaus@gov.mb.ca French Language Services: Jocelyne R. Sarrasin (204) 945-5500 jsarrasin@gov.mb.ca	April 1, 1994	To register and issue certificates for all vital events occurring in Manitoba, including births, marriages, deaths, stillbirths, and changes of name.
Bureau de l'état civil	Finances	Caroline Kaus Directrice 254, avenue du Portage Winnipeg (Manitoba) R3C 0B6 (204) 945-8178 (204) 945-0424 (télécopieur) ckaus@gov.mb.ca Services en français : Jocelyne R. Sarrasin (204) 945-5500 jsarrasin@gov.mb.ca	1er avril 1994	Enregistrer et délivrer des certificats pour tous les événements démographiques qui surviennent au Manitoba, y compris les naissances, les mariages, les décès, les enfants morts-nés et les changements de nom.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
9	Revenue Expenses Net Income (Loss) Retained Earnings	1,126 (1,193) (67) 306	1,245 (1,285) (40) 333	• 67% increase in the number of workshops including Guide and Corporate events • 43% increase in delivery of corporate workshops • 30% decrease in number of in-house workshops delivered • 81% increase in the delivery of Guide workshops in the rural areas • 31% decrease in the delivery of in-house workshops in the rural areas • 35% increase in the number of participants for Guide workshops • 13% decrease in the number of participants for in-house workshops • 55% decrease in the number of workshops offered and delivered
9	Recettes Dépenses Résultat net (Perte) Bénéfices non répartis	1 126 (1 193) (57) 306	1 245 (1 285) (40) 333	• 67 % de plus d'ateliers, notamment d'ateliers généraux ou mentionnés dans le guide • 43 % de plus d'ateliers généraux mis en œuvre • 30 % de moins d'ateliers mis en œuvre sur place • 81 % de plus d'ateliers (mentionnés dans le guide) mis en œuvre dans les régions rurales • 31 % de moins d'ateliers mis en œuvre sur place dans les régions rurales • 35 % de plus de personnes ayant participé aux ateliers mentionnés dans le guide • 13 % de moins de personnes ayant participé aux ateliers offerts sur place • 55 % de moins d'ateliers offerts
34.0	Revenue Expenses Net Income (Loss) Revenue Sharing Retained Earnings	2,872 (2,592) 280 - 912	2,595 (2,504) 91 - 723	• 99% immediate response to clients on status of service applications in 2003/04 • 100% conversion of irreplaceable vital events records to microfilm • 29% cumulative volume increase through 2003/04
34,0	Recettes Dépenses Résultat net (Perte) Partage des recettes Bénéfices non répartis	2 872 (2 592) 280 - 912	2 595 (2 504) 91 - 723	• 99% de réponses immédiates aux clients sur l'état des demandes de service en 2003/04 • 100 % de conversion sur microfilm des enregistrements des données de l'état civil irremplaçables • 29 % de hausse du volume cumulatif au cours de 2003-2004

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Civil Legal Services	Justice	Tom Hague Director 730 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2846 (204) 948-2041 (fax) thague@gov.mb.ca French Language Services: Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	April 1, 1995	To provide legal services that meet the needs of the Manitoba Government and its agencies, boards, commissions, and Crown corporations.
Bureau du contentieux civil	Justice	Tom Hague Directeur 405 Broadway, bureau 730 Winnipeg (Manitoba) R3C 3L6 (204) 945-2846 (204) 948-2041 (télécopieur) thague@gov.mb.ca Services en français : Denis Guénette (204) 945-5183 dguenette@gov.mb.ca	1er avril 1995	Fournir des services juridiques qui répondent aux besoins du gouvernement du Manitoba et de ses organismes, conseils, commissions et sociétés de la Couronne.
Manitoba Education, Research and Learning Information Networks (MERLIN)	Energy, Science and Technology	Greg Baylis Chief Operating Officer Room 137 Education Building University of Manitoba Winnipeg, MB R3T 2N2 (204) 474-7811 (204) 474-7830 (fax) gbaylis@merlin.mb.ca www.merlin.mb.ca French Language Services: Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	April 1, 1995	To support the use of technology in improving education services to learners.
Les Réseaux informatiques en apprentissage et en recherche pédagogique du Manitoba (MERLIN)	Énergie, Sciences et Technologie	Greg Baylis Directeur général Édifice Éducation, bureau 137 Université du Manitoba Winnipeg (Manitoba) R3T 2N2 (204) 474-7811 (204) 474-7830 (télécopieur) gbaylis@merlin.mb.ca www.merlin.mb.ca Services en français : Colette Lafond-D'Heilly (204) 474-7805 cdheilly@merlin.mb.ca	1er avril 1995	Appuyer l'utilisation de la technologie dans le but d'améliorer les services offerts aux apprenants en matière d'éducation.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
58	Revenue	4,674	5,072	• $4.7 million cost-saving to government in 2004 • 93% client satisfaction rating in 2004
	Expenses	(4,528)	(4,967)	
	Net Income (Loss)	146	105	
	Revenue Sharing	(200)	(200)	
	Retained Earnings	714	674	
58	Recettes	4 674	5 072	• 4,7 millions de dollars d'économies pour le gouvernement en 2004 • 93 % de satisfaction de la clientèle en 2004
	Dépenses	(4 528)	(4 967)	
	Résultat net (Perte)	146	105	
	Partage des recettes	(200)	(200)	
	Bénéfices non répartis	714	674	
16	Revenue	2,864	3,071	• $433,574 cost-saving to education sector for audio conferencing and software licensing in 2003/04
	Expenses	(2,859)	(3,051)	
	Net Income (Loss)	5	20	
	Accumulated Deficit	(329)	(314)	
16	Recettes	2 864	3 071	• 433 574 $ d'économies pour le secteur de l'éducation pour les conférences téléphoniques et les permis d'utilisation de logiciels en 2003-2004
	Dépenses	(2 859)	(3 051)	
	Résultat net (Perte)	5	20	
	Déficit accumulé	(329)	(314)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Land Management Services	Transportation and Government Services	Rae Csversko Chief Operating Officer 308 – 25 Tupper Street North Portage la Prairie, MB R1N 3K1 (204) 239-3561 (204) 239-3560 (fax) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca French Language Services: Annette Lesage (204) 239-3510 alesage@gov.mb.ca	April 1, 1995	To provide comprehensive land management services to various levels of governments, departments, boards, corporations, agencies and clients.
Services de gestion foncière	Voirie et Services gouvernementaux	Rae Csversko Directeur général 25, rue Tupper nord, bureau 308 Portage-la-Prairie (Manitoba) R1N 3K1 (204) 239-3561 (204) 239-3560 (télécopieur) rcsversko@gov.mb.ca www.landmgmt.gov.mb.ca Services en français : Annette Lesage (204) 239-3510 alesage@gov.mb.ca	1er avril 1995	Fournir à divers paliers de gouvernement (ministères, commissions, corporations, organismes et clients) des services de gestion foncière complets.
Pineland Forest Nursery	Conservation	Trevor Stanley General Manager Box 45 Hadashville, MB R0E 0X0 (204) 426-5235 (204) 426-2106 (fax) tstanley@gov.mb.ca www.pinelandforestnursery.com French Language Services: Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	April 1, 1995	To provide the highest quality integrated seedling growing and related services to forest sector clients in Canada and the United States.
Pépinière de la forêt Pineland	Conservation	Trevor Stanley Directeur général par intérim Boite 45 Hadashville (Manitoba) R0E 0X0 (204) 426-5235 (204) 426-2106 (télécopieur) tstanley@gov.mb.ca www.pinelandforestnursery.com Services en français : Gail Cielen (204) 945-4170 gcielen@gov.mb.ca	1er avril 1995	Fournir constamment des services de croissance de semis intégrés et autres services connexes de qualité supérieure aux clients du secteur forestier se trouvant au Canada et aux États-Unis.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
27	Revenue	2,602	2,735	• $10.6 million annualized cost-saving in grants-in-lieu of taxes from assessment reviews, with $6.6 million in refunds and $211.9 million in tax assessment reduction • $5.4 million new revenue from sale or lease of surplus government land and buildings • $2.2 million price break on market rates
	Expenses	(2,299)	(2,417)	
	Net Income (Loss)	303	318	
	Revenue Sharing	(250)	(250)	
	Retained Earnings	357	372	
27	Recettes	2 602	2 735	• 10,6 millions de dollars d'économies annualisées en subventions tenant lieu de taxes provenant de l'examen d'évaluations, et 6,6 millions de dollars de remboursements et 211,9 millions de dollars de réduction sur les avis d'imposition • 5,4 millions de dollars de nouvelles recettes tirées de la vente ou de la location à bail de terres et d'édifices publics excédentaires • 2,2 millions de dollars de réduction par rapport aux taux du marché
	Dépenses	(2 299)	(2 417)	
	Résultat net (Perte)	303	318	
	Partage des recettes	(250)	(250)	
	Bénéfices non répartis	357	372	
36.93	Revenue	2,905	2,903	• 232% increase in private sector revenue • 69% increase in production capacity to 22 million seedlings • 171% increase in number of clients to 19 • 1,000% increase in seed processing • 102.6% achievement of targets • 98.7% achievement of quality standards
	Expenses	(3,080)	(2,862)	
	Net Income (Loss)	(175)	41	
	Retained Earnings	413	629	
36,93	Recettes	2 905	2 903	• 232 % d'augmentation de recettes provenant du secteur privé • 69 % d'augmentation de la capacité de production, qui est portée à 22 millions de semis • 171 % d'augmentation du nombre de clients, qui passe à 19 • 1 000 % d'augmentation dans le traitement des semences • 102,6 % de réussite par rapport aux objectifs • 98,7 % de réussite par rapport aux normes de qualité
	Dépenses	(3 080)	(2 862)	
	Résultat net (Perte)	(175)	41	
	Bénéfices non répartis	413	629	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Companies Office	Finance	Myron Pawlowsky Chief Operating Officer 1010 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-4206 (204) 945-1459 (fax) mpawlowsky@gov.mb.ca www.gov.mb.ca/finance/cca/comp_off/ index.html French Language Services: Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	April 1, 1996	To register and search the names of all businesses and corporations operating in Manitoba.
Office des compagnies	Finances	Myron Pawlowsky Directeur général 405 Broadway, bureau 1010 Winnipeg (Manitoba) R3C 3L6 (204) 945-4206 (204) 945-1459 (télécopieur) mpawlowsky@gov.mb.ca www.gov.mb.ca/finance/cca/comp_off/ index.html Services en français : Lorraine Lagimodiere (204) 945-2500 companies@gov.mb.ca	1er avril 1996	Enregistrer et chercher le nom de toutes les entreprises et sociétés travaillant au Manitoba.
Manitoba Text Book Bureau	Education, Citizenship and Youth	Lanny Kingerski Chief Operating Officer 130 - 1st Avenue West P.O. Box 910 Souris, MB R0X 2C0 (204) 483-5035 (204) 483-5041 (fax) lkingerski@gov.mb.ca www.mtbb.mb.ca French Language Services: Paulette Campbell (204) 483-5034 paucampbel@gov.mb.ca	April 1, 1996	To provide Manitoba schools with cost-effective educational learning resources and related products recommended by the Department of Education, Citizenship and Youth.
Centre des manuels scolaires du Manitoba	Éducation et Jeunesse	Lanny Kingerski Directeur général 130, 1re Avenue ouest B.P 910 Souris (Manitoba) R0X 2C0 (204) 483-5035 (204) 483-5041 (télécopieur) lkingerski@gov.mb.ca www.mtbb.mb.ca Services en français : Paulette Campbell (204) 483-5034 paucampbel@gov.mb.ca	1er avril 1996	Fournir aux écoles du Manitoba, et à un coût économique, des ressources éducatives et des produits connexes recommandés par le ministère de l'Éducation et de la Jeunesse.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
28	Revenue	4,798	4,215	• 96% client satisfaction rating in 2004 • 92% client satisfaction with personal telephone services in 2004 • 37% of customers file name registrations on-line
	Expenses	(3,780)	(4,134)	
	Net Income (Loss)	1,018	72	
	Revenue Sharing	(800)	(800)	
	Retained Earnings	1,940	994	
28	Recettes	4 798	4 215	• 96 % de satisfaction de la clientèle en 2004 • 92 % de satisfaction de la clientèle en ce qui concerne les services personnels par téléphone en 2004 • 37 % des clients ayant enregistré leur nom commercial en ligne
	Dépenses	(3 780)	(4 134)	
	Résultat net (Perte)	1 018	72	
	Partage des recettes	(800)	(800)	
	Bénéfices non répartis	1 940	994	
8.31	Revenue	7,361	8,182	• $508,866 cost-saving to government through full cost accounting, and bulk purchasing of learning resources in 2003/04 • 24.6% increase in sales and 36.2% reduction in staff levels since inception • Reduced percentage of operating costs to sales by 12.6% since inception. • 99.5% of stock orders filled correctly • 95% client satisfaction rating in 2003/04 • Average turnaround time for stock orders in 2003/04 is 2.30 days which exceeds the target of 3 days • 17.1% of orders generated through website (259.7% over 2002/03)
	Expenses	(7,343)	(8,173)	
	Net Income (Loss)	18	9	
	Retained Earnings	144	135	
8,31	Recettes	7 361	8 182	• 508 866 $ d'économies pour le gouvernement grâce à la capitalisation du coût complet et à l'achat en gros de ressources éducatives en 2003-2004 • 24,6 % d'augmentation des ventes et 36,2 % de réduction du personnel depuis l'obtention du statut d'OSS • Réduction de 12,6 % du pourcentage des coûts d'exploitation par rapport aux ventes depuis l'obtention du statut d'OSS • 99,5 % des commandes de marchandises classées correctement • 95 % de satisfaction de la clientèle en 2003/04 • une attente de 2,3 jours en général en 2003-2004 pour recevoir une commande de matériel (moins que les trois jours initialement prévus) • 17,1 % des commandes passées sur Internet (une augmentation de 259,7 % par rapport à 2002-2003)
	Dépenses	(7 343)	(8 173)	
	Résultat net (Perte)	18	9	
	Bénéfices non répartis	144	135	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Mail Management Agency	Transportation and Government Services	Greg Bowers A/Chief Operating Officer Lower Level, 200 Vaughan Street Winnipeg, MB R3C 1T5 (204) 945-4668 (204) 945-5753 (fax) gbowers@gov.mb.ca French Language Services: Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	April 1, 1996	To provide centralized mail services to the Manitoba Government and broader public sector, enabling clients to expedite their products, information, and correspondence through the most appropriate distribution channels.
Organisme de gestion du courrier	Voirie et Services gouvernementaux	Greg Bowes Directeur général par intérim 200, rue Vaughan, niveau inférieur Winnipeg (Manitoba) R3C 1T5 (204) 945-4668 (204) 945-5753 (télécopieur) gbowers@gov.mb.ca Services en français : Angele Saaghy (204) 945-1173 asaaghy@gov.mb.ca	1er avril 1996	Fournir des services de courrier centralisés au gouvernement du Manitoba et au secteur public en général, afin de permettre aux clients d'expédier leurs produits, leur information et leur correspondance par les réseaux de distribution les plus appropriés.
Industrial Technology Centre	Energy, Science and Technology	Trevor Cornell Chief Operating Officer 1329 Niakwa Road East Winnipeg, MB R2J 3T4 (204) 945-6126 (204) 945-1784 (fax) tcornell@itc.mb.ca www.itc.mb.ca French Language Services: Trevor Cornell (above)	April 1, 1996	To provide a wide range of technical services to business, industry, and government in support of technology-based economic development in Manitoba.
Centre de technologie industrielle	Énergie, Sciences et Technologie	Trevor Cornell Directeur général 1329, chemin Niakwa est Winnipeg (Manitoba) R2J 3T4 (204) 945-6126 (204) 945-1784 (télécopieur) tcornell@itc.mb.ca www.itc.mb.ca Services en français : Trevor Cornell (ci-dessus)	1er avril 1996	Fournir toute une gamme de services techniques aux entreprises, à l'industrie et au gouvernement, en appui à un développement économique du Manitoba fondé sur la technologie.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
23.5	Revenue	6,468	6,542	• $750,000 cost-saving from courier contract administration • $125,000 cost-saving from ad-mail incentive mailings • $135,000 cost-saving to Agency clients under the 2002 interdepartmental mail stamp system • >99% on-time completion of mail processing activities • 99% on-time completion of mail finishing projects
	Expenses	(6,385)	(6,455)	
	Net Income (Loss)	83	87	
	Retained Earnings	338	342	
23,5	Recettes	6 468	6 542	• 750 000 $ d'économies dans la gestion du contrat de messagerie • 125 000 $ d'économies dans les envois postaux publicitaires • 135 000 $ d'économies pour la clientèle de l'organisme grâce au système d'affranchissement interministériel en 2002 • >99 % d'exécution ponctuelle des activités de traitement du courrier • 99 % d'exécution ponctuelle des projets de finition du courrier
	Dépenses	(6 385)	(6 455)	
	Résultat net (Perte)	83	87	
	Bénéfices non répartis	338	342	
21.9	Revenue	2,132	2,290	• 34% reduction in funding under departmental contribution agreement • 96% customer satisfaction in 2003/04 • 2,577 jobs saved/maintained in private sector since inception • $173 million economic development impact in private sector salaries, sales, R&D, cost-savings, and investment since inception as an SOA.
	Expenses	(2,143)	(2,290)	
	Net Income (Loss)	(11)	-	
	Retained Earnings	1,196	1,207	
21,9	Recettes	2 132	2 290	• 34 % de réduction du financement dans le cadre de l'accord de contribution ministériel • 96 % de satisfaction de la clientèle en 2003-2004 • 2 577 emplois sauvés/maintenus dans le secteur privé depuis l'obtention du statut d'OSS • 173 millions de dollars de retombées économiques sur le secteur privé sous forme de salaires, de ventes, de R-D, d'économies et d'investissements depuis l'obtention du statut d'OSS.
	Dépenses	(2 143)	(2 290)	
	Résultat net (Perte)	(11)	-	
	Bénéfices non répartis	1 196	1 207	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
The Public Trustee	Justice	Anne Bolton Public Trustee 155 Carlton Street Suite 500 Winnipeg, MB R3C 5R9 (204) 945-2703 (204) 948-2997(fax) abolton@gov.mb.ca French Language Services: Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	April 1, 1996	To provide professional and cost-effective trustee services of last resort that meet client needs and protect the interests of Manitobans.
Le curateur public	Justice	Anne Bolton Curatrice publique 155, rue Carlton, bureau 500 Winnipeg (Manitoba) R3C 5R9 (204) 945-2703 (204) 948-2997télécopieur) abolton@gov.mb.ca Services en français : Suzanne Lavallee (204) 945-8411 slavallee@gov.mb.ca	1er avril 1996	Fournir des services de curateur de dernier recours, professionnels et rentables, qui répondent aux besoins des clients et protègent les intérêts des Manitobains.
Office of the Fire Commissioner	Labour and Immigration	Doug Popowich Fire Commissioner c/o 508 - 401 York Avenue Winnipeg, MB R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (fax) dpopowich@gov.mb.ca French Language Services: Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	April 1, 1996	To safeguard persons and property in Manitoba from fire and life safety hazards through education, investigation, emergency response, and code application.
Bureau du commissaire aux incendies	Travail et Immigration	Doug Popowich Commissaire aux incendies a.b.s. 401, avenue York, bureau 508 Winnipeg (Manitoba) R3C 0P8 (204) 945-3322 / 726-6855 (204) 948-2089 (télécopieur) dpopowich@gov.mb.ca Services en français : Roger Brunet (204) 945-1285 rbrunet@gov.mb.ca	1er avril 1996	Protéger les biens et les personnes au Manitoba contre les incendies et les dangers posés à la sécurité des personnes, en éduquant le public, en procédant à des enquêtes, en intervenant en cas d'urgence et en appliquant les codes en vigueur.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)	Actual Réels	Budget Budget	Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
76.28	Revenue	5,325	4,907	• full cost recovery in 2003/04 • no disruption in client service during move to new premises
	Expenses	(4,989)	(5,028)	
	Net Income (Loss)	336	(121)	
	Retained Earnings/ Reserves	1004	547	
76,28	Recettes	5 325	4 907	• totale récupération des coûts en 2003-2004 • aucun arrêt du service à la clientele lors du déménagement vers de nouveaux locaux
	Dépenses	(4 989)	(5 028)	
	Résultat net (Perte)	336	(121)	
	Bénéfices non répartis/réserves	1004	547	
59	Revenue	7,509	6,148	• over $20 billion estimated saving in property loss due to fire containment and suppression since 1996 • 82% growth in assets over first year as an SOA • 3, 428 fires investigated since inception, with 79% resulting in determination of cause - • 141 emergency responses attended since inception, utilizing 11,020 staff hours • 30 emergency responses attended in 2003/04, utilizing 1,670 staff hours • 28,062 certifications issued by the Manitoba Emergency Services College since inception • overall 90% satisfaction rate for Public Fire Paramedic Program and individual Manitoba Emergency Services College courses in 2003/04
	Expenses	(7,062)	(7,419)	
	Net Income (Loss)	447	(1,271)	
	Revenue Sharing	-	-	
	Accumulated Deficit	(16)	(1,734)	
59	Recettes	7 509	6 148	• plus de 20 milliards de dollars (estimation) d'économies en pertes matérielles grâce au confinement et à l'extinction d'incendies depuis 1996 • 82 % de croissance de l'actif durant la première année en tant qu'OSS • 3 428 incendies faisant l'objet d'une enquête depuis l'obtention du statut d'OSS; 79 % des enquêtes ont permis de déterminer la cause des incendies • participation à 141 interventions d'urgence depuis l'obtention du statut d'OSS et utilisation de 11 020 heures-personnes • participation à 30 interventions d'urgence en 2003-2004 et utilisation de 1 670 heures-personnes • Le Collège des services d'urgence du Manitoba a émis 28 062 accréditations depuis ses débuts • taux de satisfaction global de 90 % pour le Public Fire Paramedic Program et pour les cours individuels au Collège de formation des secouristes du Manitoba en 2003-2004
	Dépenses	(7 062)	(7 419)	
	Résultat net (Perte)	447	(1 271)	
	Partage des recettes	-	-	
	Déficit accumulé	(16)	(1 734)	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Food Development Centre	Agriculture, Food and Rural Initiatives	Pat Scott General Manager Box 1240 - 810 Phillips Street Portage la Prairie, MB R1N 3J9 (204) 239-3624 (204) 239-3180 (fax) pscott@gov.mb.ca www.fdc.mb.ca French Language Services: Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	April 1, 1996	To provide leading-edge technical leadership in a proactive manner, in the creation, expansion, and diversification of the agri-food industry within Manitoba, which will generate wealth for Manitoba and Manitobans.
Centre de développement des produits alimentaires	Agriculture, Alimentation et Initiatives rurales	Pat Scott Directrice générale 810, rue Phillips C.P. 1240 Portage-la-Prairie (Manitoba) R1N 3J9 (204) 239-3624 (204) 239-3180 (télécopieur) pscott@gov.mb.ca www.fdc.mb.ca Services en français : Alphonsus Utioh (204) 239-3179 autioh@fdc.mb.ca	1^{er} avril 1996	Fournir un leadership technique de pointe de manière proactive, dans la création, l'expansion et la diversification de l'industrie agro-alimentaire au Manitoba, ce qui créera des richesses pour la province et ses habitants.
The Property Registry	Finance	Rick Wilson Registrar General 14th Floor, 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2243 (204) 948-3276 (fax) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html French Language Services: Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	April 1, 1997	To maintain land records, issue certifications of titles to land, and provide the public with reliable information on financial interests in personal property in Manitoba.
Office d'enregistrement des titres et des instruments	Finances	Rick Wilson Registraire général 405 Broadway, 14e étage Winnipeg (Manitoba) R3C 3L6 (204) 945-2243 (204) 948-3276 (télécopieur) rmwilson@gov.mb.ca www.gov.mb.ca/cca/landtitl.html www.gov.mb.ca/cca/personp.html Services en français : Guy Bilodeau (204) 945-6241 gbilodeau@gov.mb.ca Lee Crierie (204) 945-2042 Elizabeth Sims (204) 476-2106 esims@gov.mb.ca	1^{er} avril 1997	Tenir à jour les documents relatifs aux terres, délivrer des certificats de titre de bien-fonds et fournir au public des renseignements fiables sur les intérêts financiers relatifs aux biens personnels au Manitoba.

Staff (FTE) Personnel (ETP)	**2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars)**	Actual Réels	Budget Budget	**Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004**
18	Revenue	2,103	2,580	• 19 new employment opportunities created in private sector • $198.1 thousand increase in the province's GDP • 131 new products developed since 1998 • 11.5% increase in budgeted Fee for Service revenue
	Expenses	(1,897)	(2,580)	
	Net Income (Loss)	206	-	
	Retained Earnings	307	101	
18	Recettes	2 103	2 560	• 19 possibilités d'emploi créées dans le secteur privé • 198 100 $ d'augmentation du PIB de la province • 131 nouveaux produits mis au point depuis 1998 • 11,5 % d'augmentation des recettes budgétaires provenant des demandes de service
	Dépenses	(1 897)	(2 580)	
	Résultat net (Perte)	206	-	
	Bénéfices non répartis	307	101	
151	Revenue	17,561	16,089	• same day turn around on Personal Property Registry printed registrations compared to benchmark of five days • 98% hit rate on electronic registration in Personal Property Registry • 97% hit rate on electronic searches in Personal Property Registry • 97% hit rate on electronic searches in Winnipeg Land Titles Office • less than two day average turn around for rural land title registrations compared to benchmark of three days • 100% preservation of land certificates of title on microfilm • less than two day turnaround for electronic registration in regional offices compared to benchmark of three days
	Expenses	(12,495)	(14,963)	
	Net Income (Loss)	5,066	1,126	
	Revenue Sharing	(3,500)	(3,500)	
	Retained Earnings	8,325	4385	
151	Recettes	17 561	16 089	• service circulaire le jour même pour les enregistrements imprimés au Bureau d'enregistrement relatif aux biens personnels (par rapport au délai de référence de cinq jours) • 98 % de succès dans les enregistrements électroniques au Bureau d'enregistrement relatif aux biens personnels • 97 % de succès dans les recherches électroniques au Bureau d'enregistrement relatif aux biens personnels • 97 % de succès dans les recherches électroniques au Bureau des titres fonciers de Winnipeg • service circulaire en moins de deux jours en moyenne pour les enregistrements de titres fonciers ruraux (par rapport au délai de référence de trois jours) • 100 % de préservation des certificats de titre foncier sur microfilm • service circulaire en moins de deux jours pour les enregistrements électroniques dans les bureaux régionaux (par rapport au délai de référence de trois jours)
	Dépenses	(12 495)	(14 963)	
	Résultat net (Perte)	5 066	1 126	
	Partage des recettes	(3 500)	(3 500)	
	Bénéfices non répartis	8 325	4 385	

SOA OSS	Department Ministère	Contacts Personnes ressources	Designation Désignation	Mandate Mandat
Manitoba Securities Commission	Finance	Don Murray Chairman 1130 - 405 Broadway Winnipeg, MB R3C 3L6 (204) 945-2548 (204) 945-0330 (fax) dmurray@gov.mb.ca www.msc.gov.mb.ca French Language Services: Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	April 1, 1999	To act in the public interest to protect Manitoba investors and to facilitate dynamic and competitive capital and real estate markets that contribute to the economic development of Manitoba while fostering public confidence in those markets.
Commission des valeurs mobilières du Manitoba	Finances	Don Murray Président 405 Broadway, bureau 1130 Winnipeg (Manitoba) R3C 3L6 (204) 945-2548 (204) 945-0330 (télécopieur) dmurray@gov.mb.ca www.msc.gov.mb.ca Services en français : Teresa Sigurdson (204) 945-2548 tsigurdson@gov.mb.ca	1er avril 1999	Agir pour le bien commun en protégeant les investisseurs manitobains et en favorisant le dynamisme et la compétitivité des marchés financiers et des marchés des valeurs mobilières qui contribuent au développement économique du Manitoba, tout en stimulant la confiance du public envers ces marchés.

Staff (FTE) Personnel (ETP)	2003/04 Financial Results ($000) Résultats financiers en 2003-2004 (en milliers de dollars			Key Results through 2003/04 Principaux résultats obtenus au cours de l'exercice 2003-2004
		Actual Réels	Budget Budget	
34	Revenue	9,064	6,889	• 9% increase in net earnings over 2002/03
	Expenses	(3,241)	(3,396)	• 100% increase in hits on web site
	Net Income (Loss)	5,823	3,493	• expenses under budget by 5%
	Revenue Sharing	(5,700)	(5,700)	• 13% increase in registration revenues over 2002/03
	Retained Earnings/ Reserves	4,422	2,092	• 35 investor claims for financial compensation with a total claims value in excess of $800,000 approved for hearings
34	Recettes	9 064	6 889	• 9% d'augmentation des bénéfices nets par rapport à 2002-2003
	Dépenses	(3 241)	(3 396)	• 100 % d'augmentation du nombre d'interrogations du site Web
	Résultat net (Perte)	5 823	3 493	• dépenses affichant des résultats négatifs de 5 %
	Partage des recettes	(5 700)	(5 700)	• 13 % d'augmentation des revenus tirés des enregistrements au cours de 2002-2003
	Bénéfices non répartis/réserves	4 422	2 092	• 35 réclamations de compensation financière de la part d'investisseurs, pour un total de 800 000 $ approuvés en vue d'une audition

Special Operating Agencies Financing Authority

Financial Statements

March 31, 2004

Management Report

The accompanying financial statements are the responsibility of the management of the Special Operating Agencies Financing Authority and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 08, 2004.

Management maintains internal controls to properly safeguard the Financing Authority's assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of the Financing Authority are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

Wayne

Wayne L. McIntosh
Acting Chairperson,
Special Operating Agencies Financing Authority

July 08, 2004

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To the Member of the Special Operating Agencies Financing Authority

We have audited the combined balance sheet of the Special Operating Agencies Financing Authority at March 31, 2004 and the combined statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2004 and results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
July 8, 2004

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Balance Sheet
(In Thousands)

March 31	2004	2003
Assets		
Current:		
Cash	$ 6,073	$ 5,921
Restricted cash for expansion (Note 3)	765	3,509
Term deposits with the Minister of Finance	20,154	16,343
Customer deposits	1,160	1,166
Accounts receivable (Note 4)	10,567	10,027
Inventories	5,031	4,769
Prepaid expenses	2,574	2,168
	46,324	43,903
Trust assets	11	10
Restricted deposits (Note 6)	1,000	1,000
Capital assets (Note 5)	58,614	52,631
Receivable from the Province of Manitoba (Note 7)	5,156	5,102
	$ 111,105	$ 102,646
Liabilities		
Current:		
Working capital advances (Note 8)	$ 7,701	$ 7,749
Accounts payable and accruals	13,996	10,727
Unearned revenue	3,166	2,959
Current portion - capital lease obligations (Note 11)	58	58
Current portion - long-term debt (Note 10)	7,946	5,253
	32,867	26,746
Trust liabilities	11	10
Unearned revenue	1,227	889
Deferred Contributions (Note 9)	3,367	3,351
Capital lease obligations (Note 11)	78	138
Long-term debt - Province of Manitoba (Note 10)	13,176	15,134
Severance liability (Note 13)	4,431	4,291
	55,157	50,559
Equity (Note 14)		
Contributed equity	17,828	17,662
Reserve funds (Note 15)	1,500	1,500
Retained earnings	36,620	32,925
	55,948	52,087
	$ 111,105	$ 102,646

Commitments (Note 16)

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Income and Retained Earnings
(In Thousands)

Year Ended March 31	2004	2003
Special Operating Agencies Financing Authority		
Revenue		
Annual levy	$ 7	$ 11
Treasury Board Secretariat/Finance contribution	100	98
	107	109
Expenses		
Salaries and benefits	86	82
Other operating	26	23
	112	105
Financing Authority operations	(5)	4
Special Operating Agency operations – net income (loss)		
Civil Legal Services	146	363
Companies Office	1,018	1,213
Fleet Vehicles Agency	2,170	1,983
Food Development Centre	206	56
Industrial Technology Centre	(11)	5
Land Management Services	303	(321)
Mail Management Agency	83	(35)
MERLIN	5	60
Manitoba Securities Commission	5,823	5,380
Manitoba Text Book Bureau	18	15
Materials Distribution Agency	402	410
Office of the Fire Commissioner	447	540
Organization and Staff Development	(67)	(9)
Pineland Forest Nursery	(175)	(162)
The Property Registry	5,066	5,322
The Public Trustee	336	(205)
Vital Statistics Agency	280	195
Net income for the year	16,045	14,814
Retained earnings, beginning of year	32,925	30,052
Transfer of surplus funds to the Province of Manitoba		
Civil Legal Services	(200)	(200)
Companies Office	(800)	(1,000)
Fleet Vehicles Agency	(1,500)	(1,500)
Land Management Services	(250)	(250)
Manitoba Securities Commission	(5,700)	(5,500)
Materials Distribution Agency	(400)	(400)
The Property Registry	(3,500)	(2,496)
Vital Statistics Agency	-	(500)
Reserve fund – Manitoba Securities Commission (Note 15)	-	(95)
Retained earnings, end of year	$ 36,620	$ 32,925

See accompanying notes to the financial statements.

Special Operating Agencies Financing Authority
Province of Manitoba
Combined Statement of Cash Flows
(In Thousands)

Year Ended March 31	2004	2003
Cash derived from (applied to):		
Operating		
Net income	$ 16,045	$ 14,814
Amortization	11,504	10,659
Gain on disposal of capital assets	(703)	(921)
	26,846	24,552
Change in:		
Customer deposit accounts	6	88
Accounts receivable	(540)	(520)
Inventories	(262)	(663)
Prepaid expenses	(406)	(410)
Accounts payable and accruals	3,269	(170)
Severance liability	140	155
Unearned revenue	545	1,795
Cash derived from operating activities	29,598	24,827
Investing		
Increase in restricted short-term deposits	-	(95)
Proceeds from disposal of capital assets	1,678	1,904
Acquisition of capital assets	(18,462)	(13,406)
Cash applied to investing activities	(16,784)	(11,597)
Financing		
Contributed equity	166	-
Receivable from the Province	(54)	-
Proceeds from long-term debt	3,349	6,550
Long-term debt repayments	(2,614)	(4,884)
Capital lease obligations	(60)	110
Transfer of surplus funds	(12,350)	(11,846)
Change in deferred contributions	16	3,351
Cash applied to financing activities	(11,547)	(6,719)
Increase in cash	1,267	6,511
Cash and cash equivalents:		
Beginning of year	18,024	11,513
End of year	$ 19,291	$ 18,024
Represented by:		
Cash	$6,073	$ 5,921
Term deposits with the Minister of Finance	20,154	16,343
Restricted cash for expansion (Note 3)	765	3,509
Working capital advances	(7,701)	(7,749)
	$ 19,291	$ 18,024

See accompanying notes to the financial statements.

1. Nature of organization

The Special Operating Agencies Financing Authority (the "Financing Authority") is a body corporate established effective April 1, 1992 under ***The Special Operating Agencies Financing Authority Act.*** Under the direction of the Minister of Finance, the Financing Authority consists of the Chairperson as its sole member and receives staff support from the Department of Finance.

The Financing Authority provides a mechanism for funding Special Operating Agencies (SOAs) that operate outside the Consolidated Fund. It functions as a non-operating holding company, with the mandate to hold and acquire assets required for and resulting from SOA operations. It finances SOAs through contributed equity, repayable loans, and working capital advances. This financial framework enables SOAs to operate in a business-like manner within government policy expectations.

SOAs are designated by regulation under the Act and operate under a charter approved by the Lieutenant Governor in Council. A management agreement between the Financing Authority and the Minister responsible for each SOA assigns responsibility to the agency to manage and account for SOA-related assets and operations on behalf of the Financing Authority. SOAs remain accountable to their Minister for the results they achieve with the authority and resources granted.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

SOAs in operation during the fiscal year ended March 31, 2004 were as follows:

Civil Legal Services, Department of Justice
Companies Office, Department of Finance
Fleet Vehicles Agency, Department of Transportation and Government Services
Food Development Centre, Department of Agriculture, Food and Rural Initiatives
Industrial Technology Centre, Department of Energy, Science and Technology
Land Management Services, Department of Transportation and Government Services
Mail Management Agency, Department of Transportation and Government Services
Manitoba Education, Research and Learning Information Networks (MERLIN), Department of Energy, Science and Technology
Manitoba Securities Commission, Department of Finance
Manitoba Text Book Bureau, Department of Education, Citizenship and Youth
Materials Distribution Agency, Department of Transportation and Government Services
Office of the Fire Commissioner, Department of Labour and Immigration
Organization and Staff Development, Civil Service Commission
Pineland Forest Nursery, Department of Conservation
The Property Registry, Department of Finance
The Public Trustee, Department of Justice
Vital Statistics Agency, Department of Finance.

Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(In Thousands)

March 31, 2004

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2. Significant accounting policies

The financial statements of the Financing Authority are presented in accordance with Canadian generally accepted accounting principles.

Basis of reporting

The financial statements of the Financing Authority reflect the financial position and operating results of SOAs currently governed by management agreements with the Financing Authority. These statements are presented on a combined basis. Therefore, inter-agency balances and transactions have not been eliminated.

The following policies apply to the Financing Authority, as well as to all agencies combined herein.

Amortization of capital assets

Vehicles, fire engines	30%, declining balance
Vehicles (signed lease agreement)	straight line over term of lease
Equipment and furniture	20 - 33%, straight line 20%, declining balance
Computer equipment and software	20%, straight line
Rental equipment (Materials Distribution Agency)	2, 3, or 5 years, straight line
Buildings	5 - 40 years, straight line
Practical training site (Office of the Fire Commissioner)	20 years, straight line
Leasehold improvements	3 - 10 years, straight line
Other assets	3 years, straight line

Inventories

Inventories are valued at the lower of cost and market value.

Financial Instruments

The carrying amounts of the current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

Administrative expenses paid by the Province of Manitoba

The Treasury Board contribution covers salaries and benefits and certain operating expenses, paid by the Province of Manitoba on behalf of the Financing Authority.

Use of estimates

In the preparation of the Financing Authority's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates.

3. Restricted cash for expansion

In April 2002 the Food Development Centre received approval for an $11 million expansion funded by the Federal and Provincial governments. During the current year, the expansion was revalued at $14 million.

The expansion will be completed during the March 31, 2005 year-end. As at March 31, 2004 $765 ($3,509 – 2003) is being held on deposit with the Minister of Finance, to be used for the completion of this project.

4. Accounts receivable

	2004	2003
Trade	$10,001	$ 9,558
Insurance agency rebate	367	355
Other	199	114
	$ 10,567	$ 10,027

The trade receivables are mostly due from the Province of Manitoba.

The insurance agency rebate is for discounts receivable by the Fleet Vehicles Agency from the Manitoba Public Insurance Corporation based on favourable claims experience for the Province's vehicle fleet in the previous insurance year.

5. Capital assets

	Cost	Accumulated Amortization	2004 Net Book Value	2003 Net Book Value
Vehicles, fire engines	$73,867	33,505	40,362	$ 38,527
Equipment and furniture	9,832	5,951	3,881	3,645
Rental equipment	2,722	1,947	775	548
Computer equipment and software	5,096	3,654	1,442	1,487
Buildings	7,951	3,034	4,917	5,217
Practical training site	1,935	572	1,363	1,460
Leasehold improvements	5,811	1,062	4,749	738
Other assets	2,631	1,506	1,125	1,009
	$ 109,845	51,231	58,614	$ 52,631

6. Restricted deposits

The Manitoba Securities Commission maintains separate short-term deposits with the Province of Manitoba to fund revenue fluctuations and to respond to unforeseen events that cannot reasonably be budgeted for within the annual business planning process.

7. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as SOAs. It also includes severance pay benefits earned by SOA employees to March 31, 1998, as well as the benefits accumulated by the employees of the Manitoba Securities Commission prior to March 31, 1999. The balance is comprised of:

	2004	2003
Vacation entitlements	$ 1,744	$1,766
Severance pay benefits	3,412	3,336
	$ 5,156	$ 5,102

The receivable or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

8. Working capital advances

The Minister of Finance, with Lieutenant-Governor-in-Council approval by Orders in Council 747/1992, 242/1994, 152/1995, 151/1996, 136/1997, 168/1998, and 129/2000, has arranged for working capital advances to be available to the Financing Authority. The aggregate of the outstanding advances is not to exceed $20,370 (2003 - $20,370) at any one time. As at March 31, 2004, $12,669 (2003 - $12,621) of these advances was unused and available.

9. Deferred Contributions

Funds received prior to March 31, 2004 by the Food Development Centre from the Federal government related to the expansion of an existing facility are recorded as deferred contributions. These amounts will be taken into income to match the amortization of the expansion.

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10. Long-term debt - Province of Manitoba

		2004	2003
5.5%	repayable in semi-annual instalments of $232 principal and interest, maturing in 2004	$ 225	$ 444
6%	repayable in semi-annual instalments of $141 principal and interest, maturing in 2004	137	269
9%	repayable in semi-annual instalments of $55 principal and interest, maturing in 2005	51	98
6.875%	repayable in semi-annual instalments of $408 principal and interest, maturing in 2005	1,143	1,499
6.625%	repayable in annual instalments of $167 principal and interest, maturing in 2005	615	757
5.75%	repayable in semi-annual instalments of $495 principal and interest, maturing in 2006	2,275	2,693
5.375%	repayable in semi-annual instalments of $121 principal and interest, maturing in 2006	663	764
4.75%	repayable in semi-annual instalments of $243 principal and interest, maturing in 2006	1,344	1,550
5.625%	repayable in semi-annual instalments of $174 principal and interest, maturing in 2007	1,093	1,232
4.25%	repayable in semi-annual instalments of $179 principal and interest, maturing in 2007	1,307	1,455
4.75%	repayable in semi-annual instalments of $397 principal and interest, maturing in 2008	3,186	3,500
6.425%	repayable in semi-annual instalments of $146 principal and interest, maturing in 2009	1,334	1,434
5.25%	repayable in semi-annual instalments of $159 principal and interest, maturing in 2009	1,622	1,736

5.625%	repayable in semi-annual instalments of $134 principal and interest, maturing in 2009	1,352	1,446
5.125%	repayable in semi-annual instalments of $123 principal and interest, maturing in 2010	1,426	1,510
3.625%	repayable in semi-annual instalments of $149 principal and interest, maturing in 2009	1,355	-
4.875%	repayable in semi-annual instalments of $137 principal and interest, maturing in 2011	1,745	-
5.8%	repayable in annual instalments of $18 principal plus interest, maturing in 2017	249	-
		21,122	20,387
	Amount due within one year	7,946	5,253
		$ 13,176	$ 15,134

Principal repayments in each of the next five years are as follows:

2005	7,946
2006	4,504
2007	3,199
2008	2,454
2009	1,589

As at March 31, 2004, the Financing Authority had $9,956 remaining in loan authority under ***The Loan Act, 2003***. ***The Loan Act, 2004*** received Legislative approval on June 10, 2004. The original loan authority under each of these Acts is:

	The Loan Act, 2004	***The Loan Act, 2003***
for Fleet Vehicles Agency	$7,000	$4,000
for Food Development Centre	-	2,400

11. Capital lease obligations

The Mail Management Agency and the Property Registry have obligations of $110 and $26 respectively under capital leases. The agreements carry various terms and conditions.

The estimated minimum lease payments which include principal and interest under the capital lease obligations for equipment are as follows:

2005	$59
2006	49
2007	29
	137
Less: imputed interest	1
	136
Less: current portion	58
	$78

12. Pension benefits

Employees of SOAs are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Prior to April 1, 2001, only the Industrial Technology Centre and the Food Development Centre matched their employee's current contributions to the CSSB and had no additional liability under the Act.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the remaining SOAs transferred to the Province the pension liability for their employees.

Commencing April 1, 2001, the SOAs were required to pay to the Province an amount equal to their employees' current pension contributions.

13. Severance liability

Effective April 1, 1998, SOAs began recording accumulated severance pay benefits for their employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province accepted responsibility for the severance benefits accumulated by SOA employees to March 31, 1998, as well as for the benefits accumulated by employees of the Manitoba Securities Commission to March 31, 1999. Accordingly, the opening severance pay liability balances as at April 1, 1998 calculated at $3,511 and as at April 1, 1999 calculated at $135 were completely offset by a receivable from the Province.

An actuarial valuation report of the severance liability of SOAs was completed as at March 31, 2000. The recorded liability as at March 31, 2000 was restated to $3,676, and the receivable from the Province was restated to $3,412 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides

13. Severance liability (continued)

a formula to update the liability on an annual basis. In accordance with the formula, the actuarial liability of SOAs has been calculated to be $4,431 as at March 31, 2004.

14. Equity

Contributed equity	2004	2003
Fleet Vehicles Agency	$ 4,284	$ 4,118
Industrial Technology Centre	62	62
Mail Management Agency	51	51
Manitoba Text Book Bureau	550	550
Materials Distribution Agency	1,246	1,246
Office of the Fire Commissioner	11,279	11,279
Pineland Forest Nursery	356	356
	$17,828	$17,662

Effective April 1, 2003, the Radio Services Program within the Desktop, Telecommunications and Network Services Branch of the Department of Transportation and Government Services was transferred to the Fleet Vehicles Agency. This transfer resulted in an increase of $166 in contributed equity.

Retained earnings	2004	2003
Civil Legal Services	$ 714	$ 768
Companies Office	1,940	1,722
Fleet Vehicles Agency	13,622	12,952
Food Development Centre	307	101
Industrial Technology Centre	1,196	1,207
Land Management Services	357	304
Mail Management Agency	338	255
MERLIN	(329)	(334)
Manitoba Securities Commission	3,422	3,299
Manitoba Text Book Bureau	144	126
Materials Distribution Agency	3,963	3,961
Office of the Fire Commissioner	(16)	(463)
Organization and Staff Development	306	373
Pineland Forest Nursery	413	588
The Property Registry	8,325	6,759
The Public Trustee	1,004	668
Vital Statistics Agency	912	632
Financing Authority	2	7
	$36,620	$32,925

15. Reserve funds

The Public Trustee

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses. The balance of the reserve at March 31, 2004 is $500 (2003 - $500).

Manitoba Securities Commission

The Manitoba Securities Commission has allocated a reserve out of retained earnings to provide for extraordinary regulatory expenses and changes in market activity affecting revenue. The intent is to fund the reserve over four years to an accumulated balance of $1,000. The balance of the reserve at March 31, 2004 is $1,000 (2003 - $1,000).

16. Commitments

Commitments for SOAs with building lease agreements at March 31, 2004 total $9,268 (2003 - $9,900). Estimated minimum lease payments for each of the next five years are as follows:

2005	$1,985
2006	1,389
2007	1,383
2008	1,370
2009	1,413

Other commitments entered into by SOAs are as follows:

Manitoba Text Book Bureau	Provision of warehousing and distribution services	$ 188
Office of the Fire Commissioner	Vehicle lease agreements	459
The Property Registry	Equipment lease agreements	380
		$1,027

17. Estates and trusts under administration

The Public Trustee has statutory responsibility for administering clients' estates and trusts. The client assets under administration at March 31, 2004 total approximately $172,000 (2003 - $168,000). The trust activities of The Public Trustee are reported in separate audited financial statements for Estates and Trusts under Administration.

18. Public sector compensation

No employee of the Financing Authority received compensation of $50 or more during the year ended March 31, 2004.

Compensation information for each SOA is disclosed in the notes to their audited financial statements.

19. Comparative figures

Comparative figures for the year ended March 31, 2003 have been restated, where appropriate, to conform to the presentation adopted for March 31, 2004.

APPENDIX

Agency Financial Statements

- Fleet Vehicles Agency
- Materials Distribution Agency
- Organization and Staff Development
- Vital Statistics Agency
- Civil Legal Services
- Manitoba Education, Research and Learning Information Networks
- Land Management Services
- Pineland Forest Nursery
- Companies Office
- Manitoba Text Book Bureau
- Mail Management Agency
- Industrial Technology Centre
- The Public Trustee of Manitoba
- Office of the Fire Commissioner
- Food Development Centre
- The Property Registry
- Manitoba Securities Commission

Fleet Vehicles Agency

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Financial Statements

(In Thousands)

March 31, 2004

Grant Thornton

FLEET
VEHICLES AGENCY

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Schedule of Other Revenue and Expenses - Vehicles	12
Schedule of Revenue and Expenses - Radio Services	13
Responsibility for Financial Reporting	14

Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the
Special Operating Agencies Financing Authority

We have audited the balance sheet of **Fleet Vehicles Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2004 and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
May 13, 2004

Grant Thornton LLP
Chartered Accountants

900 - One Lombard Place
Winnipeg, Manitoba
R3B 0X3
T (204) 944-0100
F (204) 957-5442
E Winnipeg@GrantThornton.ca
W www.GrantThornton.ca

Canadian Member of Grant Thornton International

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2004	2003
Revenue		
Vehicle leases	$ 25,259	$ 23,866
Gain on disposal of vehicles and equipment, net	704	894
Interest income	35	10
Other revenue (Page 12)	1,898	1,710
	27,896	26,480
Expenses		
Salaries	2,173	1,999
Vehicle operating expenses (Page 12)	21,291	20,055
Administrative expenses (Page 12)	1,360	1,340
Community service	44	28
Interest expense	1,089	1,075
	25,957	24,497
Earnings before other income	1,939	1,983
Other income		
Radio Services, net (Page 13)	231	
Net earnings	$ 2,170	$ 1,983

	2004	2003
Retained earnings, beginning of year	$ 12,952	$ 12,469
Net earnings	2,170	1,983
Revenue sharing to the Consolidated Fund	(1,500)	(1,500)
Retained earnings, end of year	$ 13,622	$ 12,952

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2004	2003
Assets		
Current		
Receivables (Note 3)	$ 2,129	$ 1,800
Inventories	231	69
Prepaids	1,739	1,538
	4,099	3,407
Capital assets (Note 4)	40,675	39,063
Receivable from the Province of Manitoba severance pay benefits (Note 5)	270	194
	$ 45,044	$ 42,664
Liabilities		
Current		
Working capital payable, net of cash (Note 6)	$ 2,660	$ 2,773
Payables and accruals	2,256	887
Revenue sharing to the Consolidated Fund		375
Unearned revenue	1,014	980
Current portion of long-term debt	7,877	5,206
	13,807	10,221
Long-term debt (Note 7)	12,945	15,083
Severance pay liability (Note 5)	386	290
	27,138	25,594
Equity		
Contributed equity (Note 8)	4,284	4,118
Retained earnings	13,622	12,952
	17,906	17,070
	$ 45,044	$ 42,664

Commitments (Note 9)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2004	2003
Increase (decrease) in cash and cash equivalents		
Operating		
Net earnings	$ 2,170	$ 1,983
Amortization	8,521	7,851
Gain on disposal of vehicles and equipment, net	(704)	(894)
Increase in severance pay liability	108	29
Payment of severance pay benefits	(12)	
	10,083	8,969
Change in		
Receivables	(329)	663
Inventories	(162)	(8)
Prepaids	(201)	(322)
Payables and accruals	1,369	(205)
Revenue sharing to the Consolidated Fund	(375)	25
Unearned revenue	34	506
	10,419	9,628
Investing		
Proceeds from disposal of vehicles and equipment	1,670	2,064
Acquisition of vehicles	(10,941)	(10,600)
Acquisition of office, shop and computer equipment	(158)	(106)
Acquisition of leasehold improvements		(59)
Consolidation of net assets of Radio Services	166	
	(9,263)	(8,701)
Financing		
Proceeds from Loan Act Authority drawdowns	3,100	6,550
Long-term debt repayments	(2,567)	(4,841)
Revenue sharing to the Consolidated Fund	(1,500)	(1,500)
Receivable from the Province of Manitoba	(76)	
	(1,043)	209
Net increase in cash and cash equivalents	113	1,136
Working capital payable, net of cash and cash equivalents		
Beginning of year	(2,773)	(3,909)
End of year	$ (2,660)	$ (2,773)

See accompanying notes to the financial statements.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Notes to the Financial Statements
(In Thousands)
March 31, 2004

1. Nature of organization

In 1934, Fleet Vehicles was created as a branch of the Manitoba Provincial Government to provide a centralized fleet management program. It was established to achieve economies of scale and to lower overall fleet costs to government.

Effective April 1, 1992, the Fleet Vehicles branch was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 2003, the Radio Services Program within the Desktop, Telecommunications and Network Services Branch of the Department of Transportation and Government Services was transferred to the Agency.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A 1992 Management Agreement between SOAFA and the then Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

Fleet Vehicles Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and the Minister of Transportation and Government Services.

Fleet Vehicles Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

Fleet Vehicles Agency is economically dependent on The Government of Manitoba, as it derives most of its revenue and all of its capital financing requirements from the Province.

2. Significant accounting policies

Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts and short term investments with original maturities of six months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued at the lower of cost and market value.

Capital assets

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Vehicles	30%,	declining balance
Vehicles (signed lease agreement)		straight line over term of lease
Office and shop equipment	20%,	declining balance
Computer software and equipment	20%,	straight line
Leasehold improvements	10%,	straight line

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Agency's financial instruments consist of accounts receivable, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. Receivables

	2004	2003
Trade	**$ 964**	$ 742
Accrued trade	**798**	703
Insurance agency rebate receivable	**367**	355
	$ 2,129	$ 1,800

4. Capital assets

			2004	2003
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Vehicles	$ 72,879	$ 32,823	**$ 40,056**	$ 38,429
Office, shop and computer equipment	1,468	1,098	**370**	330
Leasehold improvements	589	340	**249**	304
	$ 74,936	$ 34,261	**$ 40,675**	$ 39,063

5. Severance pay liability

Effective April 1, 1998, the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of 15 years, by the weekly salary at date of retirement, provided the employee has reached nine years of service and retires from the Agency. Effective April 2000, there is also additional severance pay for employees with 20 or more years of accumulated service. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees through specific dates. That responsibility is currently reflected by a $194 receivable from the Province for the employees at the Agency as of March 31, 1998, together with a $76 receivable from the Province for the employees at Radio Services as of March 31, 2003, who are also now with the Agency.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash shortfall in the Agency. It is probable, therefore, that collection will only occur on the dissolution of the Agency.

An actuarial valuation report from February 2001 provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's liability is recalculated annually, with payments to retiring employees no longer with the Agency or the Province charged against the liability.

6. Working capital payable

The Agency has an authorized line of working capital advances of $4,000, $2,730 of which was used as of March 31, 2004 (2003: $2,795).

7. Long-term debt

By virtue of the Management Agreement, the Agency is responsible for the repayment of debts assumed by the Special Operating Agencies Financing Authority (SOAFA) on its behalf. SOAFA holds the debt instruments listed in this Note on behalf of Fleet Vehicles Agency.

Loan Act Authority long-term debt is repayable in semi-annual instalments of principal and interest, as follows:

Interest Rate	Instalment Amount	Maturity Date	Principal Balance Owing March 31 2004	2003
5 ½%	$ 232	March 31, 2004	$ **225**	$ 444
6%	141	March 31, 2004	**137**	269
6 ⅞%	408	March 31, 2005	**1,143**	1,499
6 ⅝%	167	September 30, 2005	**615**	757
5 ¾%	495	March 31, 2006	**2,275**	2,693
5 ⅜%	121	September 30, 2006	**663**	764
4 ¾%	243	September 30, 2006	**1,344**	1,550
5 ⅝%	174	March 31, 2007	**1,093**	1,232
4 ¼%	179	September 30, 2007	**1,307**	1,455
4 ¾%	397	March 31, 2008	**3,186**	3,500
6.425%	146	March 31, 2009	**1,334**	1,434
3 ⅝%	149	March 31, 2009	**1,355**	
5 ¼%	159	September 30, 2009	**1,622**	1,736
5 ⅝%	134	September 30, 2009	**1,352**	1,446
5 ⅛%	123	September 30, 2010	**1,426**	1,510
4 ⅞%	137	September 30, 2011	**1,745**	
Total principal owing as of March 31			**20,822**	20,289
Amount due within one year			**7,877**	5,206
Long-term debt as of March 31			$ **12,945**	$ 15,083

Unused loan authority of $3,100 was available as of March 31, 2003. An additional $4,000 was approved during 2003/04, for a total available loan authority of $7,100. Following the draw down of $3,100 during the year, there is $4,000 in unused loan authority remaining as of March 31, 2004, to be used towards the purchase of trucks, vans and sedans. Of that amount, $2,345 was drawn down in April 2004.

Principal ($2,685) and interest ($500) payments due on March 31, 2004, were not made until April 2004. Accordingly, the principal amount due within the year ending March 31, 2005, includes the principal portions for three semi-annual payments.

7. Long-term debt (continued)

As of March 31, 2004, principal repayments in each of the next five years are as follows:

2005	$	7,877
2006		4,486
2007		3,181
2008		2,436
2009		1,571

8. Contributed equity

The Special Operating Agencies Financing Authority (SOAFA) and The Government of Manitoba entered into a Transfer Agreement in connection with the transfer from the Government to SOAFA of assets valued at $12,353 required for the continuing operations of Fleet Vehicles Agency as of March 31, 1992. The Agency has repaid the debt portion in the amount of $8,235 (2/3 of the value of the assets) and has recorded the balance of $4,118 (1/3 of the value of the assets) as the Government's equity in SOAFA relating to the Agency's operations.

As discussed in Note 10 below, the Agency's contributed equity was increased by $166 as of April 1, 2003, with the transfer of the net assets of Radio Services to the Agency.

9. Commitments

(a) Pursuant to a Memorandum of Understanding dated May 31, 1996, the Agency entered into a lease agreement with The Government of Manitoba through Manitoba Government Services for the rental of the facilities at 626 Henry Avenue, Winnipeg, Manitoba. Occupancy charges for each fiscal year including 2004/05 are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2004/05 are estimated at $441 for the year, to be paid in quarterly instalments during 2004/05.

(b) Occupancy charges for the Winnipeg premises for the Radio Services division of the Agency are established annually based on the approved budget for the Department of Transportation and Government Services. Occupancy charges for 2004/05 are estimated at $41 for the year, to be paid in quarterly instalments during 2004/05.

(c) The Agency's approved 2004/05 Business Plan calls for $1,500 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2004/05.

10. Consolidation with Operations of Radio Services

Effective April 1, 2003, the Radio Services Program within the Desktop, Telecommunications and Network Services Branch of the Department of Transportation and Government Services was transferred to the Agency.

The Program operates on a full cost recovery basis and currently has nine employees. Valuations for inventory, equipment and other assets have been finalized at $242, with that value offset by liabilities of $76 and contributed equity of $166.

11. Requirements of The Public Sector Compensation Disclosure Act

Pursuant to Section 2(1) of the Act, the following employees of Fleet Vehicles Agency received compensation, directly or indirectly, of $50 or more in the fiscal year ended March 31.

Name	Position		2004		2003
Kathryn Bernhardt	Manager, Support Services	$	**54**	$	58
Derek Boutang	Systems Analyst		**59**		59
Donald Chesney	Manager, Fleet		**66**		65
Dennis Ducharme	Chief Operating Officer		**83**		80
Jordan Janisse	Systems Supervisor		**66**		61
Kevin Kilbrei	Manager, Marketing		**52**		
David Kroeker	Programmer Analyst		**55**		55
Vladimair Lachowsky	Radio Services Technician		**53**		
Albert Ogonoski	Manager, Finance		**62**		60
Franklin Recknell	Radio Services Technician		**62**		
William Reynolds	Senior Manager, Strategic Planning		**62**		60
Guy Sinclair	Manager, Operations		**66**		64
Sean Stephen	Radio Services Supervisor		**64**		

12. Comparative figures

The financial statements of Radio Services for the year ended March 31, 2003 were reported as a part of Desktop, Telecommunication and Network Services, and are therefore not reported as comparative information in the financial statements of Fleet Vehicles Agency.

Fleet Vehicles Agency

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Schedule of Other Revenue and Expenses - Vehicles

(In Thousands)

Year Ended March 31	2004	2003
Other revenue		
Service	$ 837	$ 872
Rebates	768	576
Autopac service revenue	293	262
	$ 1,898	$ 1,710
Vehicle operating expenses		
Amortization	$ 8,354	$ 7,707
Fuel	6,218	6,221
Insurance premiums	3,010	2,665
Repairs and maintenance	3,709	3,462
	$ 21,291	$ 20,055
Administrative expenses		
Amortization	$ 149	$ 144
Fleet management information system	155	191
Human resource overhead	436	396
Occupancy costs	426	418
Other costs	85	58
Professional fees	20	49
SOAFA charges	2	2
Supplies and materials	60	54
Telephone and communication	27	28
	$ 1,360	$ 1,340

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Schedule of Revenue and Expenses - Radio Services

(In Thousands)
Year Ended March 31, 2004

Revenue	$ 1,757
Operating expenses	
Parts and repairs	783
Salaries	484
	1,267
	490
Administrative expenses	
Amortization	18
Fleet management information system	24
Human resource overhead	61
Occupancy costs	43
Other costs	1
Supplies and materials	21
Telephone and communication	18
Transportation	73
	259
Radio Services, net	$ 231

Note to schedule: The above revenue includes $139 in billings for licenses and access fees which has no matching cost. The cost portion of the licenses and access fees was recorded on a cash basis in 2002/03 in the records of Desktop, Telecommunication and Network Services.

Fleet Vehicles Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility for Financial Reporting

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Grant Thornton LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met once with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Dennis Ducharme
Chief Operating Officer

Albert Ogonoski
Manager, Finance

May 13, 2004

MATERIALS DISTRIBUTION AGENCY

Financial Statements

For The Year Ended March 31, 2004

(In Thousands)

Materials Distribution Agency
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by The Exchange Chartered Accountants LLP, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board has scheduled meetings with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, to discuss the results of the audit and their views on the adequacy of internal controls and the quality of financial reporting.

Susan Boulter
A/Chief Operating Officer

Joel Hershfield
Manager of Finance and Technology

E X G

THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Materials Distribution Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and changes in cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 2, 2004

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2004

	2004	2003
ASSETS		
CURRENT		
Cash and short term investments	$ 1,054	$ 1,455
Accounts receivable	3,708	3,186
Inventories (notes 2 and 4)	2,015	1,609
Prepaid expenses	63	82
	6,840	6,332
RECEIVABLE – PROVINCE OF MANITOBA (note 3)	288	288
CAPITAL ASSETS (notes 2 and 5)	1,081	754
OTHER ASSETS (notes 2 and 6)	650	486
	$ 8,859	$ 7,860
LIABILITIES		
CURRENT		
Payables and accruals (note 7)	$ 3,416	$ 2,407
SEVERANCE LIABILITY (note 10)	234	246
	3,650	2,653
EQUITY		
CONTRIBUTED EQUITY (note 8)	1,246	1,246
RETAINED EARNINGS	3,963	3,961
	5,209	5,207
	$ 8,859	$ 7,860

Commitments (note 9)

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2004

	2004	2003
SALES, schedule 1	$20,782	$21,071
COST OF GOODS SOLD	16,023	16,931
GROSS PROFIT	4,759	4,140
EXPENSES		
Salaries and benefits	2,852	2,640
Operating costs	685	375
Administrative expenses, schedule 2	820	715
	4,357	3,730
NET INCOME	402	410
REVENUE SHARING – Province of Manitoba, note 9	(400)	(400)
RETAINED EARNINGS, beginning of year	3,961	3,951
RETAINED EARNINGS, end of year	$ 3,963	$ 3,961

See Accompanying Notes To Financial Statements

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

STATEMENT OF CASH FLOW
(In Thousands)
YEAR ENDED MARCH 31, 2004

Increase (decrease) in cash and cash equivalents

	2004	2003
Operating		
Net earnings	$ 402	$ 410
Amortization	732	660
	1,134	1,070
Change in		
Accounts receivable	(522)	(637)
Inventories	(406)	(276)
Prepaids	19	(49)
Payables and accruals	1,009	476
Severance pay liability	(12)	12
	1,222	596
Investing		
Acquisition of rental equipment	(615)	(432)
Acquisition of capital assets	(196)	(105)
Acquisition of other assets	(412)	(121)
	(1,223)	(658)
Financing		
Revenue sharing to the Consolidated Fund	(400)	(400)
Decrease in cash and short-term investments	(401)	(462)
Cash and short-term investments, beginning of year	1,455	1,917
Cash and short-term investments, end of year	$ 1,054	$ 1,455

See Accompanying Notes To Financial Statements

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2004

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1. NATURE OF ORGANIZATION

The Government of Manitoba established a central warehouse operation in 1974. Its mandate was to cost effectively meet the needs of departments and certain boards, commissions and agencies of the Crown, for a variety of commonly used items.

Effective April 1, 1993, Materials Distribution Branch was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from the Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Government Services assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of the Financing Authority.

The Materials Distribution Agency continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

The Materials Distribution Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Materials Distribution Agency is economically dependent on the Province of Manitoba and the Manitoba Regional Health Authorities deriving most of its revenue and all of its capital financing requirements from the Province.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Capital assets are recorded at cost and are amortized annually at the following rates and bases:

Computer equipment	- 20%, straight-line basis
Fixtures	- 20%, straight-line basis
Office equipment	- 20%, diminishing balance basis
Warehouse equipment	- 20%, diminishing balance basis
Leasehold improvements	- over 5 years, straight-line basis

Non-consumable equipment relating to the Home Care Equipment and Supplies Program are amortized at varying rates in order to reflect the varying periods of useable "life".

Rental equipment	- over 2, 3 or 5 years, straight-line basis

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion	- over 5 years
Relocation expenses	- over 10 years

3. RECEIVABLE – PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation entitlement earned by the employees of Materials Distribution Agency prior to its designation as a Special Operating Agency. It also includes severance pay benefits earned by the employees to March 31, 1998.

The receivable, or portion thereof, for Materials Distribution Agency will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

4. INVENTORIES

	2004	2003
Medical, Lab and X-ray supplies	$ 201	$ 197
Reproductive health supplies	36	25
Medical supplies	607	423
Ostomy supplies	341	247
Equipment consumables	165	88
	1,350	980
Golden Boy	27	60
Stationery	392	335
Forms	78	77
Janitorial	115	119
Furnishings	24	17
New furniture	18	17
Office equipment consumables	11	4
	$ 2,015	$ 1,609

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	2004 Net	2003 Net
Computer equipment	$ 83	$ 44	$ 39	$ 27
Fixtures	44	41	3	0
Office equipment	35	35	0	1
Warehouse equipment	316	130	186	170
Leasehold improvements	277	199	78	8
	755	449	306	206
Accelerated				
Computer equipment	48	48	0	0
Fixtures	63	63	0	0
Office equipment	22	22	0	0
Warehouse equipment	61	61	0	0
Leasehold improvements	120	120	0	0
	314	314	0	0
Rental equipment	2,722	1,947	775	548
	$ 3,791	$ 2,710	$ 1,081	$ 754

6. OTHER ASSETS

	Cost	Accumulated Amortization	2004 Net	2003 Net
Computer conversion	$ 1,287	$ 854	$ 433	$ 486
Relocation expenses	241	24	217	0
	$ 1,528	$ 878	$ 650	$ 486

7. WORKING CAPITAL PAYABLE

The Agency has an authorized line of working capital advances of $800 of which none was used at March 31, 2004 or 2003.

8. CONTRIBUTED EQUITY

Loan Authority – April 1, 1993

The Special Operating Agencies Financing Authority (SOAFA) and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of inventory and fixed assets valued at $1,464 required for the continuing operations of the Materials Distribution Agency as at March 31, 1993. The Agency repaid the debt portion of $732 (being ½ of the value of the assets) and recorded the balance, $732, as Manitoba's equity in the Financing Authority as related to the Agency operations.

Loan Authority – April 1, 1997

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority for the net assets of the HCESP valued at $1,027 as at April 1, 1997. The Agency repaid the debt portion of $513 (being ½ of the value of the assets) and recorded the balance, $514, as Manitoba's equity in the Financing Authority as related to the Agency operations.

9. COMMITMENTS

Leased Premises

On March 24, 2003 The Agency took partial possession of a rental property consisting of 76,067 square feet at 1715 St. James Street, Winnipeg, Manitoba. The lease is for a term of 10 years with an additional 5-year option commencing May 1, 2003. Occupancy charges are an annual $453 payable in monthly instalments.

Revenue Sharing

The Agency's approved 2004/05 Business Plan calls for $400 in revenue sharing to be paid in quarterly instalments to the Consolidated Fund during 2004/05.

10. SEVERANCE LIABILITY

Effective April 1, 1998 the Agency commenced recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Agency. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. That responsibility is reflected by a $288 receivable from the Province.

An actuarial report was completed February 2001 calculating the severance pay liability balance as at March 31, 2000. This actuarial report provided a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $234 as at March 31, 2004 (2003 - $246).

11. PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2004, the following employees received compensation in excess of $50.

Name	Position	2004	2003
Ailyn Almendral	IT - Systems Administator	$ 53	$ 0
Susan Boulter	A/Chief Operating Officer	78	73
Joel Hershfield	Manager of Finance and Technology	62	59
Ted Norrington	Financial Analyst	53	0
Kathy Demchuk	Marketing Manager	56	56

12. INTEREST RECEIVED

The Agency received interest during the year of $27 (2003 - $45).

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

SCHEDULE OF SALES
(In Thousands)
YEAR ENDED MARCH 31, 2004

	2004	2003
Warehoused Items		
Medical, Lab and X-ray	$ 1,396	$ 1,560
Medical forms	100	104
Reproductive	141	113
Medical supplies	4,289	3,807
Ostomy supplies	1,863	1,722
Equipment consumables	727	222
	8,516	7,528
Stationery	1,897	2,031
Forms	85	143
Janitorial	814	711
Furnishings	99	70
Office equipment consumables	84	63
Software and computer supplies	2,555	4,528
Special Project - Golden Boy	36	99
Miscellaneous	0	1
	14,086	15,174
Direct (factored sales)		
Stationery	898	759
Medical, Lab and X-ray	60	97
Janitorial	312	279
Furniture, new	1,439	970
	2,709	2,105
Other Revenue		
Manitoba Textbook Bureau	272	265
Home Care equipment rentals	1,814	1,635
Office equipment – copy centres	739	695
Office equipment – maintenance program	103	118
Used furniture	15	29
Disposal	10	8
Moving and freight	866	907
Storage	48	58
MHP	65	0
Other Income	55	77
	3,987	3,792
TOTAL REVENUE	$ 20,782	$ 21,071

MATERIALS DISTRIBUTION AGENCY
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

SCHEDULE OF ADMINISTRATIVE EXPENSES
(In Thousands)
YEAR ENDED MARCH 31, 2004

	2004	2003
ADMINISTRATIVE EXPENSES		
SOAFA fees	$ 2	$ 2
Professional services	13	13
Amortization	345	280
Computer	256	263
Office	92	61
Promotion and marketing	48	44
Telephone	50	46
Training and education	14	6
	$ 820	$ 715

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2004

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2004

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Management's Responsibility for Financial Reporting

The accompanying financial statements are the responsibility of the management of **ORGANIZATION & STAFF DEVELOPMENT** (OSD) and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available to May 20, 2004.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The responsibility of the Auditor General is to express an independent opinion on whether the financial statements of OSD are fairly represented in accordance with Canadian generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

On behalf of Management,

ORGANIZATION & STAFF DEVELOPMENT

EDickson

Edna Dickson, Director
May 20, 2004

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To Organization and Staff Development
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Organization and Staff Development, an Agency of The Special Operating Agencies Financing Authority, as at March 31, 2004 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General
Office of the Auditor General

Winnipeg, Manitoba
May 20, 2004

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Balance Sheet

March 31	2004	2003
	(000's)	
Assets		
Current Assets		
Cash and bank (Note 3)	$ 134	$ 174
Short-term investments	287	267
Accounts receivable	60	108
Inventories	11	9
	492	558
Receivable from Province of Manitoba (Note 4)	39	39
Capital assets (Note 5)	11	9
	$ 542	$ 606
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 174	$ 177
Severance liability (Note 4)	62	56
	236	233
Equity		
Retained earnings	306	373
	$ 542	$ 606

The accompanying notes are an integral part of these financial statements

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2004 Actual	2003 Actual	Variance	Budget	Variance
Revenue					
Training and consulting	$ **1,118**	$ 1,163	$ (45)	$ 1,122	$ (4)
Interest	**8**	8	-	8	-
	1,126	1,171	(45)	1,130	(4)
Expenses					
Salaries and benefits	**439**	425	14	458	(19)
Professional fees	**419**	382	37	375	44
Books and course materials	**59**	95	(36)	35	24
Food and beverages	**50**	63	(13)	51	(1)
Accommodations	**52**	49	3	29	23
Desk top management	**32**	36	(4)	37	(5)
Marketing	**25**	34	(9)	11	14
Communications	**13**	18	(5)	18	(5)
Transportation	**18**	16	2	22	(4)
Office supplies	**17**	15	2	10	7
Occupancy costs	**16**	14	2	16	-
Rentals	**7**	13	(6)	7	-
Professional development	**8**	10	(2)	7	1
Other	**6**	8	(2)	3	3
Amortization	**3**	2	1	4	(1)
Bad debt	**29**	-	29	29	-
	1,193	1,180	13	1,112	81
Net loss for the year	**(67)**	(9)	(58)	18	(85)
Retained earnings, beginning of year	**373**	382			
Retained earnings, end of year	**$ 306**	$ 373			

The accompanying notes are an integral part of these financial statements.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority

Statement of Cash Flows

For the year ended March 31	2004	2003
	(000's)	
Cash Flows from Operating Activities		
Net loss for the year	$ (67)	$ (9)
Adjustments for		
Amortization of capital assets	3	2
	(64)	(7)
Net change in non-cash working capital balances	49	115
	(15)	108
Cash Flows from Investing Activities	-	-
Purchase of capital assets	(5)	-
Increase (decrease) in cash and equivalents during the year	(20)	108
Cash and cash equivalents, beginning of year	441	333
Cash and cash equivalents, end of year	$ 421	$ 441
Represented by		
Cash and bank	$ 134	$ 174
Short-term investments	287	267
	$ 421	$ 441

The accompanying notes are an integral part of these financial statements.

1. Nature of Organization

Effective April 1, 1994, Organization and Staff Development (OSD) of the Civil Service Commission was designated by regulation as a Special Operating Agency under The Special Operating Agencies Financing Authority Act and operates under a charter approved by the Lieutenant Governor in Council. Its mandate is to provide consulting and training services to support the implementation of the government's human resource policies and priorities.

The Agency is financed through the Special Operating Agencies Financing Authority. The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Financing Authority and the Minister responsible for the Civil Service Commission assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

OSD continues to be part of the Civil Service Commission under the general direction of the Commissioner and ultimately the policy direction of the Minister responsible for The Civil Service Act.

OSD remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

OSD is economically dependant on the Province of Manitoba. Currently, the Agency derives most of its revenue from the Province and all of its capital financing requirements through the Financing Authority.

2. Significant Accounting Policies

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

Training and consulting revenue is recorded on an accrual basis by specific project.

2. Significant Accounting Policies (continued)

Use of Estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise noted.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital Assets

Rates of amortization applied to write off the cost of capital assets over their estimated life are as follows:

Furniture and office equipment	20% straight line
Computer equipment	20% straight line

One half year's amortization is applied to computer equipment in the year of acquisition.

3. Working Capital

The Agency has an authorized line of working capital advances of $120 which was unused and available at March 31, 2004.

ORGANIZATION & STAFF DEVELOPMENT - An Agency of the Special Operating Agencies Financing Authority
Notes to Financial Statements

March 31, 2004 (000's)

4. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 1, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $33 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for Organization and Staff Development, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance liability as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $42 and the receivable from the Province was restated to $39. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $62 as at March 31, 2004.

5. Capital Assets

	2004			2003		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Machinery and equipment	$ 5	$ -	$ 5	$ -	$ -	$ -
Furniture & fixtures	10	8	2	10	7	3
Computers	12	8	4	12	6	6
	$ 27	$ 16	$ 11	$ 22	$ 13	$ 9

6. Public Sector Compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2004, the following employees received compensation of $50,000 or more.

	2004	2003
K. Meekler	$ 56	$ 51
J. Desrochers	58	57
E. Dickson	59	57
H. Robertson	-	74

7. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business.

VITAL STATISTICS AGENCY

FINANCIAL STATEMENTS

MARCH 31, 2004

VS

Vital Statistics Agency

MANAGEMENT REPORT

To the Special Operating Agencies Financing Authority

The accompanying financial statements are the responsibility of the management of the Vital Statistics Agency and have been prepared in accordance with generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 7, 2004.

Management maintains internal controls to properly safeguard the Vital Statistics Agency's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and established policies and procedures are followed.

The Auditor's responsibility is to express an independent opinion on whether the financial statements of the Vital Statistics Agency are fairly presented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

Caroline Kaus

Caroline E. Kaus
Chief Operating Officer

Rudy Gerling, CGA
Manager of Finance,
Administration and Marketing

Winnipeg, Manitoba
May 7, 2004

TREASURY BOARD
JUN 28 2004
SECRETARIAT

tal Statistics Agency
54 Portage Avenue, Winnipeg, MB, R3C 0B6 Canada
lephone: (204) 945-3701 Fax: (204) 948-3128

Bureau de l'état civil
254 avenue Portage, Winnipeg (Manitoba) R3C 0B6 Canada
Telephone: (204) 945-5500 Fax: (204) 948-3128

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2004

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MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Vital Statistics Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of earnings, retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 7, 2004

CHARTERED ACCOUNTANTS

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2004

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 361	$ 256
Accounts receivable (Note 4)	42	70
Inventories	31	48
Prepaids	14	16
	448	390
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 5 and 8)	94	94
CAPITAL ASSETS (Note 6)	883	728
	$ 1,425	$ 1,212
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued	$ 114	$ 143
Accrued unused vacation entitlements	135	137
Unearned revenue	100	131
	349	411
SEVERANCE PAY LIABILITY (Note 8)	164	169
	513	580
EQUITY		
RETAINED EARNINGS	912	632
	$ 1,425	$ 1,212

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
REVENUE		
Net sales	$ 2,749	$ 2,502
Proceeds from government departments	121	184
Interest	2	7
	2,872	2,693
EXPENSES		
Salaries and employee benefits	1,529	1,455
Operating expenses (Page 10)	856	854
Amortization - capital assets	207	189
	2,592	2,498
NET EARNINGS FOR THE YEAR	$ 280	$ 195

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
RETAINED EARNINGS, beginning of year	$ 632	$ 937
Net earnings for the year	280	195
	912	1,132
Revenue sharing payment to Province of Manitoba	-	500
RETAINED EARNINGS, end of year	$ 912	$ 632

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 280	$ 195
Adjustments for		
Amortization - capital assets	207	189
Severance pay expense	-	18
	487	402
Changes in the following		
Accounts receivable	28	(19)
Inventories	17	(5)
Prepaids	2	3
Accounts payable and accrued	(29)	83
Accrued unused vacation entitlements	(2)	16
Unearned revenue	(31)	11
Severance pay liability	(5)	-
	467	491
FINANCING ACTIVITY		
Revenue sharing payment to Province of Manitoba	-	(500)
INVESTING ACTIVITY		
Capital asset additions	(362)	(163)
CHANGE IN CASH AND SHORT TERM DEPOSITS	105	(172)
CASH AND SHORT TERM DEPOSITS, beginning of year	256	428
CASH AND SHORT TERM DEPOSITS, end of year	$ 361	$ 256

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2004

1. NATURE OF ORGANIZATION

Effective April 1, 1994, the Lieutenant Governor in Council designated the Vital Statistics Agency (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council 232/1994. The Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a Management Agreement with respect to the Agency.

A Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to the Agency in delivering regulated services to clients through administration of three major Acts; The Vital Statistics Act; The Change of Name Act; and The Marriage Act. The Agency also handles disinterments under the Public Health Act. The ownership of the vital events records is excluded from this agreement, as their ownership is considered Crown property and should not be alienated from Government protection in the public interest.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of Vital Statistics Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Inventories

Inventories of certificates and pre-printed forms are valued at cost. Cost is determined on a first-in, first-out basis.

(c) Capital assets

Capital assets are amortized over their estimated useful lives as follows:

	Rate	Method
Office equipment	20%	Straight line
Furniture and fixtures	20%	Straight line
Security equipment	20%	Straight line
Leasehold improvements	20%	Straight line
Information system	20%	Declining balance
Data conversion	20%	Declining balance

(d) Unearned revenue

The Agency receives cash payments at the time various certificates are ordered and the cash payments are reflected as unearned revenue. Revenue is recognized at the time the service is completed and the certificate is issued.

3. WAIVER OF FEES

The Agency charges no fee for services in exchange for services from the following organizations:

(a) The Manitoba Development Centre, health care facilities, the Chief Medical Examiner's Office (Manitoba Justice), the Manitoba Funeral Association and the Department of Anatomy of the University of Manitoba as they provide services in accordance with The Vital Statistics Act.

(b) Child and Family Services Regional Operations of Manitoba Family Services to act as issuers of Marriage Licences and handling related administrative duties.

(c) Vital Statistics Offices in other jurisdictions through agreements to exchange information between jurisdictions as it relates to one another's residency or birthplace.

Services provided under the above agreements are valued at $5 for the year ended March 31, 2004 (2003 - $7).

The Vital Statistics Agency provides the following services without compensation to the Federal Government:

(a) Statistics Canada for national tabulation and statistical information. Statistics Canada provides payment for the microdata and microfilm records from the Vital Statistics Agency and provides half of the cost of printing registration forms.

(b) Health and Welfare Canada (Indian and Northern Affairs)

Services provided under the above arrangements are valued at $nil for the year ended March 31, 2004(2003 - $nil).

The Agency provides services without compensation to victims of crimes as follows:

In March of 1998, the Ministers of Justice, Consumer and Corporate Affairs, and Highways and Transportation agreed that the fees for replacement documents should be waived. Representatives of Vital Statistics and the Division of Driver and Vehicle Licensing met to coordinate the process so the public would receive the same program from both agencies.

Effective January 1, 1999, members of the public who have had their birth certificates stolen during a criminal act can request replacement certificates and have the fee waived. This does not apply to members of the public who have lost their identification or individuals who are non-residents of Manitoba.

Clients are asked to indicate that they are requesting a waiver of fees as a result of a criminal act and to provide the police incident number.

Services provided under the above arrangement are valued at $19 for the year ended March 31, 2004 (2003 - $20).

4. ACCOUNTS RECEIVABLE

	2004	2003
Trade	$ 45	$ 74
Interest	1	-
	46	74
Allowance for doubtful accounts	4	4
	$ 42	$ 70

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for severance pay benefits prior to April 1, 1998.

The timing of the collection of this receivable will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2004	Net Book Value 2003
Office equipment	$ 158	$ 105	$ 53	$ 61
Furniture and fixtures	107	84	23	37
Security equipment	42	40	2	4
Leasehold improvements	84	65	19	29
Information system	1,015	585	430	245
Data conversion	914	558	356	352
	$ 2,320	$ 1,437	$ 883	$ 728

7. PENSION BENEFITS

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act, administered by the Civil Service Superannuation Board (CSSB).

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees.

Subsequent to March 31, 2001, the Agency is required to pay to the Province an amount equal to its employees' current pension contributions.

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $126 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance pay liability as at March 31, 2000 was completed in prior years. The receivable from the Province was restated to $94 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $164 as at March 31, 2004.

9. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 254 Portage Avenue. Occupancy charges for the year ending March 31, 2005 are estimated to be $164 (2004 - $158).

10. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $250 limit for working capital advances for the Agency. The Agency has not accessed working capital advances in the current year.

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
Accommodation	$ 158	$ 157
Advertising	17	15
Bad debts	3	6
Central government charges	74	57
Computer information system	282	294
Office supplies	23	18
Other operating expenses	36	45
Printed material supplies	53	87
Professional fees	23	19
Supplies for mechanized systems	5	2
Telecommunications	30	27
Training	8	4
Transportation and freight	144	123
	$ 856	$ 854

VITAL STATISTICS AGENCY
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2004	COMPENSATION 2003
Caroline Kaus	Chief Operating Officer	$ 81	$ 77
Rudy Gerling	Manager of Finance, Administration and Marketing	62	58
Janet Usher	Assistant Director	54	52

CIVIL LEGAL SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2004

Manitoba

Justice

Civil Legal Services
SOA

Room 730
Woodsworth Building
405 Broadway
Winnipeg, Manitoba CANADA
R3C 3L6

PH: (204) 945-2846
FAX: (204) 948-2041
File No.
In reply please refer to:
Tom Hague
Chief Operating Officer

Civil Legal Services
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The financial statements have been audited by Magnus & Buffie, Chartered Accountants, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, and to discuss the results of their audit and their views on the adequacy of internal controls and the quality of the financial reporting.

Tom Hague
Chief Operating Officer

May 13, 2004

TREASURY BOARD
JUN 16 2004
SECRETARIAT

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2004

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MAGNUS & BUFFIE

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Civil Legal Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 13, 2004

CHARTERED ACCOUNTANTS

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2004

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 810	$ 784
Accounts receivable	390	324
	1,200	1,108
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 4)	379	379
CAPITAL ASSETS (Note 5)	85	128
TRUST ASSET	8	7
	$ 1,672	$ 1,622
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 128	$ 100
Vacation payable	408	362
	536	462
SEVERANCE LIABILITY (Note 6)	414	385
TRUST LIABILITY	8	7
	958	854
EQUITY		
RETAINED EARNINGS	714	768
	$ 1,672	$ 1,622

CIVIL LEGAL SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
REVENUE		
Recoveries	$ 4,668	$ 4,789
Interest and other	6	6
	4,674	4,795
EXPENSES		
Advertising and promotion	4	2
Amortization	52	42
Communications	38	42
Computer	37	34
Desktop management initiative	203	221
Equipment rental	4	5
Government records centre	16	8
Law Society fees	35	33
Law cases disbursement fund	22	25
Miscellaneous	7	5
Occupancy	173	162
Office	46	36
Postage and deliveries	8	10
Professional fees and services	42	45
Publications	28	26
Travel	27	31
Wages and benefits	3,786	3,705
	4,528	4,432
NET EARNINGS FOR THE YEAR	146	363
RETAINED EARNINGS, beginning of year	768	605
	914	968
REVENUE SHARING - PROVINCE OF MANITOBA	200	200
RETAINED EARNINGS, end of year	$ 714	$ 768

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net earnings for the year	$ 146	$ 363
Adjustment for		
Amortization	52	42
	198	405
Changes in the following		
Accounts receivable	(66)	17
Accounts payable and accrued liabilities	28	(8)
Vacation payable	46	20
	206	434
FINANCING ACTIVITIES		
Change in severance liability	29	36
Revenue sharing - Province of Manitoba	(200)	(200)
	(171)	(164)
INVESTING ACTIVITY		
Capital asset additions	(9)	(10)
CHANGE IN CASH AND SHORT TERM DEPOSITS	26	260
CASH AND SHORT TERM DEPOSITS, beginning of year	784	524
CASH AND SHORT TERM DEPOSITS, end of year	$ 810	$ 784

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2004

1. NATURE OF ORGANIZATION

The role of Civil Legal Services (the "Agency") flows from the constitutional and statutory responsibilities of the Minister of Justice as the Chief Legal Advisor to government and the guardian of the public interest. Acting pursuant to government policy, the Agency is responsible for providing a full range of high quality legal services, on a cost recovery basis, to its clients, namely the Government of Manitoba, the government's agencies, boards and committees and some Crown corporations.

On April 1, 1992, the Agency became the first government legal services office in Canada to recover the cost of providing legal services to its clients. While a number of provinces and the federal government are currently looking at the issue of cost recovery for in-house legal services, the Agency remains the only government legal services office to operate on this basis.

Effective April 1, 1995, the Agency was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating status, assists the Agency to sustain the provision of high quality legal services to its clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of the Financing Authority.

The Agency continues to be part of Manitoba Justice under the general direction of the Deputy Minister and Minister.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba because it derives most of its revenue from the Province and all of its financing requirements through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are summarized as follows:

Capital Assets: Capital assets are recorded at cost and are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)
Leasehold Improvements	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

The Special Operating Agencies Financing Authority has provided the Agency with an authorized line of working capital of $500 of which $nil was used at March 31, 2004.

4. RECEIVABLE FROM PROVINCE OF MANITOBA (Note 6)

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2004	2003
Vacation Entitlements	$ 140	$ 140
Severance Pay Benefits	239	239
	$ 379	$ 379

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2004	2003
Computer Equipment and Software	$ 73	$ 36	$ 37	$ 54
Furniture and Fixtures	184	141	43	67
Leasehold improvements	53	48	5	7
	$ 310	$ 225	$ 85	$ 128

6. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $248 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $239 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $414 as at March 31, 2004.

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2004

7. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2005 are estimated to be $217.

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2004	 2003
I. Allen	Legal Counsel	$ 95	$ 93
E. Andres	Legal Counsel	93	91
J. Barak	Legal Counsel	83	77
A. Berg	Legal Counsel	104	99
T. Bjornson	Legal Counsel	75	62
T. Brothers	Legal Counsel	52	52
J. Frederickson	Legal Counsel	-	60
I. Frost	Legal Counsel	99	96
D. Gisser	Legal Counsel	99	96
D. Guenette	Legal Counsel	77	69
T. Hague	Director	87	103
G. Hannon	Legal Counsel	99	96
S. Hoeppner	Legal Counsel	98	91
B. Jones	Legal Counsel	69	64
J. Kapac	Legal Counsel	63	95
A. Ladyka	Legal Counsel	67	60
D. Lofendale	Legal Counsel	95	96
J. Mann	Legal Counsel	63	-
W. McFetridge	Legal Counsel	104	99
M. McGunigal	Legal Counsel	-	69
G. Mildren	Legal Counsel	104	99
S. Pierce	Legal Counsel	99	96
K. Ranson	Legal Counsel	66	60
C. Romeo	Legal Counsel	98	93
K. Scott	Legal Counsel	73	65
D. Seale	Legal Counsel	-	69
N. Trenholm	Legal Counsel	98	92
M. Webb	Legal Counsel	99	96
I. Wiebe	Legal Counsel	66	92
R. Winters	Legal Counsel	99	96

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating
Agencies Financing Authority
Province of Manitoba

Financial Statements

For the year ended March 31, 2004

M·E·R·L·I·N

Manitoba • Education • Research • Learning • Information • Networks

The accompanying financial statements are the responsibility of the Management of Manitoba Education, Research and Learning Information Networks (MERLIN) and have been prepared in accordance with Canadian generally accepted accounting principles. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating Management's best judgement regarding all necessary estimates and all other data available up to May 26, 2004.

Management maintains internal controls to properly safeguard MERLIN's assets. These controls also provide reasonable assurance that the books and records from which financial statements are derived accurately reflect all transactions, and that established policies and procedures are followed.

The Auditors' responsibility is to express an independent opinion on whether the financial statements of MERLIN are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' report outlines the scope of the audit examination and provides an audit opinion.

On behalf of Management,

Greg Baylis
Chief Operating Officer

David Olafson
Controller

Manitoba Education, Research and Learning Information Networks (MERLIN)

May 26, 2004

www.merlin.mb.ca

Room 137 – Education Building, University of Manitoba, Winnipeg, MB R3T 2N2
TOLL FREE: 1-800-430-6404 TEL: (204) 474-7800 FAX: (204) 474-7830

MERLIN is a special operating agency with the Department of Energy, Science and Technology.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba

Financial Statements
For the year ended March 31, 2004

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BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 – 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority:

We have audited the balance sheet of **MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS**, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of income and deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 26, 2004

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Balance Sheet

(In Thousands)

March 31	2004	2003
Assets		
Current Assets		
Cash and funds on deposit	$ 652	$ 503
Accounts receivable	185	298
Prepaid expense	131	49
	968	850
Receivable from the Province of Manitoba (Note 2)	47	47
Capital assets (Note 3)	229	343
	$ 1,244	$ 1,240
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 208	$ 462
Unearned revenue	71	80
Trust liabilities (Note 6)	1	87
	280	629
Cyberschools (Note 7)	1,227	887
Severance pay liability (Note 8)	66	58
	1,573	1,574
Commitments (Note 10)		
Deficit (Page 4)	(329)	(334)
	$ 1,244	$ 1,240

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Statement of Income and Deficit

(In Thousands)

For the year ended March 31	2004	2003
Revenue		
Province of Manitoba - Energy, Science and Technology Funding	$ 445	$ 445
Fee for service	1,862	2,178
Other	22	2
Cyberschools	535	1,493
Total revenue	2,864	4,118
Expenses		
Advertising and promotion	23	10
Amortization	123	124
Audit and legal fees	30	23
Bad debts	-	2
Communications	180	281
Conferences	32	-
Cost of purchases for resale	906	1,119
Cyberschools salaries and benefits	87	8
Cyberschools other expenses	448	1,485
Equipment repair and maintenance	79	58
Interest	-	12
Occupancy Costs	54	54
Office and miscellaneous	21	23
Professional development	16	14
Purchased services	8	6
Salaries and benefits	819	803
Travel	33	36
	2,859	4,058
Net income for the year	5	60
Deficit, beginning of year	(334)	(394)
Deficit, end of year	$ (329)	$ (334)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows
(In Thousands)

For the year ended March 31	2004	2003
Cash Flows from Operating Activities		
Net income for the year	$ 5	$ 60
Adjustment for		
Amortization	123	124
	128	184
Changes in non-cash working capital		
Accounts receivable	113	(6)
Prepaid expenses	(82)	1
Accounts payable	(254)	241
Unearned revenue	(9)	41
Trust liability	(86)	(22)
	(318)	255
	(190)	439
Cash Flows from Investing Activities		
Capital assets	(9)	(112)
Cash Flows from Financing Activities		
Severance liability	8	6
Cyberschools	340	887
	348	893
Net increase in cash and cash equivalents	149	1,220
Cash (working capital advances), beginning of year	503	(717)
Cash, end of year	$ 652	$ 503

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Summary of Significant Accounting Policies

March 31, 2004

Basis of Reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and are amortized annually on a straight-line basis as follows:

Computer hardware	20%
Computer software	20%
Equipment and furniture	20%

In the period of acquisition, amortization is calculated at one-half the rate indicated.

Financial Instruments

The Agency's financial instruments consist of cash and funds on deposit, accounts receivable, accounts payable and accrued expenses, trust liabilities and severance pay liability. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Notes to Financial Statements

(in Thousands)

March 31, 2004

1. Nature of Organization

Effective April 1, 1995, Manitoba Education, Research and Learning Information Networks (MERLIN) was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. Effective September 25, 2002, the Agency operates as part of Energy, Science and Technology, under the general direction of the Deputy Minister.

The Agency is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the Agency through repayable loans and working capital advances. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

The Agency is economically dependent on the Province of Manitoba as it derives much of its revenue and all of its financing requirements from the Province.

2. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlement earned by the employees of the Agency prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Agency, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Agency. The balance is consists of:

	2004	2003
Vacation entitlements	$ 19	$ 19
Severance pay benefits	28	28
	$ 47	$ 47

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to Financial Statements
(in Thousands)

March 31, 2004

3. Capital Assets

	2004 Cost	2004 Accumulated Amortization	2003 Cost	2003 Accumulated Amortization
Computer hardware	$ 451	$ 271	$ 451	$ 194
Computer software	47	43	52	40
Equipment and furniture	159	114	184	110
	$ 657	$ 428	$ 687	$ 344
Cost less accumulated amortization		$ 229		$ 343

4. Working Capital Advances

These advances are provided to the Agency through the Special Operating Agencies Financing Authority pursuant to the Management Agreement. The Agency has an authorized line of working capital advances of $2.0 million.

During the year, the Agency incurred interest charges of $NIL (2003 - $12).

5. Accrued Vacation Entitlements

The Agency follows the policy of the Department of Finance to recognize accumulated vacation entitlement liability. The liability is offset by a receivable from the Province of $19, which was the balance as at March 31, 1998. Any subsequent changes to the entitlement are reflected as a current year expense to the Agency. At March 31, 2004, the accrued vacation entitlement was $92 (2003 - $70).

6. Trust Liabilities

The Agency entered into an agreement with Industry Canada to operate a Grassroots Internet project for both Manitoba and Canadian Schools. The balance in the account represents funds paid to the Agency but not yet disbursed to the schools.

	2004	2003
Grassroots Internet	$ 1	$ 87

7. Cyberschools

The Agency has entered into an agreement with Community Connections to develop, implement and operate a province-wide communication gateway/portal to support K-S4 education and Community Connections lifelong learners. The service will include access to secure email, calendars, and file storage.

Receipts and disbursements are as follows:

	2004	2003
Deferred balance, beginning of year	$ 887	-
Receipts	875	2,380
Disbursements	(535)	(1,493)
Deferred balance, end of year	$ 1,227	$ 887

8. Severance Pay Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $28 was completely offset by a receivable from the Province.

In accordance with the formula provided in the most recent actuarial valuation report (March 31, 2000), the Agency's liability has been calculated to be $66 as at March 31, 2004 ($58 - March 31, 2003).

9. Revenue - Manitoba Education, Citizenship and Youth

The Agency is responsible for the delivery of distance education and technology programs formerly provided through the Manitoba Education, Citizenship and Youth. The Agency receives a fee from the Department, established annually and paid quarterly, in exchange for delivery of these services.

10. Commitments

The Agency leases office space under a long-term lease. The future minimum payments required under these leases over the next three fiscal years are:

2005	$	52
2006		52
2007		26

11. Comparative Figures

Certain of the comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Schedule of Operating Results by Functional Area

(In Thousands)

For the year ended March 31	2004	2003
Revenue		
Provincial licencing and purchasing	$ 1,051	$ 1,337
Internet services	329	338
Information technology services	283	293
Provincial technology standards	205	200
Electronic conferencing	210	203
Web delivery services	182	215
Technical training services	69	39
Cyberschools	535	1,493
Total revenue	2,864	4,118
Expenses		
Provincial licencing and purchasing	1,032	1,288
Internet services	388	497
Information technology services	287	298
Provincial technology standards	216	177
Electronic conferencing	170	148
Web delivery services	172	137
Technical training services	59	20
Cyberschools	535	1,493
Total expenses	2,859	4,058
Net Income (Loss)		
Provincial licencing and purchasing	19	49
Internet services	(59)	(159)
Information technology services	(4)	(5)
Provincial technology standards	(11)	23
Electronic conferencing	40	55
Web delivery services	10	78
Technical training services	10	19
Cyberschools	-	-
Total net income for the year	5	60
Deficit, beginning of year	(334)	(394)
Deficit, end of year	$ (329)	$ (334)

MANITOBA EDUCATION, RESEARCH AND LEARNING INFORMATION NETWORKS

An Agency of the Special Operating Agencies Financing Authority

Province of Manitoba

Schedule of Public Sector Compensation Disclosure

(In Thousands)

For the year ended March 31, 2004

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2004, the following employees received compensation of $50 or more:

Employee	Title	Compensation	
Ackland, Catherine	Conferencing Coordinator	$	58
Bater, Jared	Consultant, Unix Technologies		51
Baylis, Greg	Chief Operating Officer		84
Greider, Warren	Consultant, Internet Technologies		64
Hiebert, John	Consultant, Networking Technologies		58
Jennings, Debra	Regional Representative		58
Lafond-D'Heilly, Colette	Communications and Marketing Manager		54
Wallin, Grant	Manager, Information and Communication Technologies		71

LAND MANAGEMENT SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2004

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA
RESPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statement and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operations that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met once with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Normand Le Neal

Rae P. Csversko
Chief Operating Officer

Norm Le Neal
Finance Officer

June 14, 2004

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MARCH 31, 2004

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MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Land Management Services, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of income and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 11, 2004

CHARTERED ACCOUNTANTS

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2004

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash and short term deposits	$ 365	$ 624
Accounts receivable	352	64
Work in process	57	55
Prepaid expenses	39	64
	813	807
DISCHARGE FUNDS HELD IN TRUST (Note 3)	3	3
RECEIVABLE FROM PROVINCE OF MANITOBA (Notes 4 and 8)	324	324
CAPITAL ASSETS (Note 5)	236	237
	$ 1,376	$ 1,371
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 258	$ 177
Property proceeds payable (Note 7)	381	522
Client funds payable	161	177
	800	876
SEVERANCE PAY LIABILITY (Note 8)	216	186
UNEARNED REVENUE (Note 3)	3	5
	1,019	1,067
EQUITY		
RETAINED EARNINGS	357	304
	$ 1,376	$ 1,371

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF INCOME AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
RECOVERIES	$ 2,518	$ 1,960
OTHER INCOME	84	16
INCOME BEFORE EXPENSES	2,602	1,976
EXPENSES		
Administrative (Page 8)	573	682
Operating (Page 8)	165	130
Wages and benefits	1,561	1,485
	2,299	2,297
NET INCOME (LOSS) FOR THE YEAR	303	(321)
RETAINED EARNINGS, beginning of year	304	875
	607	554
REVENUE SHARING - PROVINCE OF MANITOBA	250	250
RETAINED EARNINGS, end of year	$ 357	$ 304

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net income (loss) for the year	$ 303	$ (321)
Adjustments for		
Amortization	127	158
Severance pay expense	30	(49)
	460	(212)
Changes in the following		
Accounts receivable	(288)	40
Surplus properties recoverable	-	67
Work in process	(2)	42
Prepaid expenses	25	(51)
Accounts payable and accrued liabilities	81	(66)
Property proceeds payable	(141)	226
	135	46
FINANCING ACTIVITIES		
Revenue sharing - Province of Manitoba	(250)	(250)
Change in client funds payable	(16)	(132)
	(266)	(382)
INVESTING ACTIVITY		
Capital asset additions	(128)	(80)
CHANGE IN CASH AND SHORT TERM DEPOSITS	(259)	(416)
CASH AND SHORT TERM DEPOSITS, beginning of year	624	1,040
CASH AND SHORT TERM DEPOSITS, end of year	$ 365	$ 624

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2004

1. NATURE OF ORGANIZATION

In 1965, The Land Acquisition Act was passed into law, bringing the Land Acquisition Branch into existence to provide a consistent process of real estate acquisition by government

Effective April 1, 1995, the Land Acquisition Branch, under the operating name Land Management Services ("LMS"), was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

LMS is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from LMS operations. It finances LMS through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating status, assist LMS to sustain the provision of high quality land acquisition services to its clients.

A Management Agreement between the Financing Authority and the Minister of of Transportation and Government Services assigns responsibility to LMS to manage and account for LMS related assets and operations on behalf of the Financing Authority.

LMS continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, and ultimately the policy direction of the Deputy Minister and Minister of Transportation and Government Services.

LMS remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

LMS is economically dependent on the Province of Manitoba because it derives most of its revenue and all of its financing requirements from the Province through the Financing Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Computer software and equipment	20% straight line basis, 10% in year of acquisition
Equipment - office	20% straight line basis, 10% in year of acquisition
Leasehold improvements	20% straight line basis, 10% in year of acquisition

(b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. DISCHARGE FUNDS HELD IN TRUST AND UNEARNED REVENUE

Discharge funds held in trust and the majority of unearned revenue represents the fee for finalizing to consolidate titles on discharge of mortgages on properties being consolidated. This fee is put into a special interest bearing trust account and the revenue deferred. When the mortgage is discharged the deferred revenue will be recognized and the funds released from the trust account. It is estimated some files could be completed in as little as two years and as many as 20 years.

4. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of LMS prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2004	2003
Vacation entitlements	$ 132	$ 132
Severance pay benefits (Note 8)	192	192
	$ 324	$ 324

The timing and collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of LMS.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2004	Net Book Value 2003
Computer software and equipment	$ 1,191	$ 993	$ 198	$ 196
Equipment - office	101	66	35	36
Leasehold improvements	7	4	3	5
	$ 1,299	$ 1,063	$ 236	$ 237

6. WORKING CAPITAL

LMS has an authorized line of working capital of $800, none of which was accessed at March 31, 2004.

7. PROPERTY PROCEEDS PAYABLE

LMS disposes of general Federal, Provincial operating agency and Municipal properties on a cost recovery basis. As at March 31, 2004, LMS had received proceeds on sales in excess of disposition costs of $381 (2003 - $522) which is outstanding and due to the various entities at year-end.

8. SEVERANCE PAY LIABILITY

Effective April 1, 1998, LMS began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by LMS's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $188 was completely offset by a receivable from the Province.

An actuarial valuation report of LMS's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was restated to $192 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the LMS's actuarial liability has been calculated to be $216 as at March 31, 2004.

9. SURPLUS PROPERTIES

LMS is responsible for the disposition of certain surplus crown-owned properties. In accordance with direction from the Provincial Treasury Board, LMS has established a $200 reserve account within retained earnings to cover any aggregate annual disposition costs which exceed the proceeds of surplus Crown-owned properties offered for sale. LMS can retain excess proceeds over disposition costs of surplus Crown-owned properties to the extent of any cumulative unrecovered historical shortages.

During the year LMS experienced a $79 surplus (2003 - $129 shortage). The cumulative unrecorded historical shortage is $50, leaving $150 in the reserve account.

10. LEASE COMMITMENTS

LMS has not entered into a lease agreement with the Province of Manitoba for rental facilities at 25 Tupper Street N. Occupancy charges for the year ending March 31, 2005 are estimated to be $104 (2004 - $104).

LMS is also leasing office equipment and vehicles from the Province of Manitoba, with future estimated lease payments as follows:

Year	Amount
2005	$ 31
2006	15
2007	10
2008	4

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
ADMINISTRATIVE		
Amortization	$ 127	$ 158
Computer maintenance	59	34
Contributed services	44	170
Human resources overhead	18	18
Occupancy costs	104	100
Other	71	54
Supplies	100	105
Training	50	43
	$ 573	$ 682

	2004	2003
OPERATING		
Printing, postage and advertising	$ 40	$ 20
Professional fees	33	38
Telephone	29	25
Travel	63	47
	$ 165	$ 130

LAND MANAGEMENT SERVICES
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION	
		2004	2003
Raeburn Csversko	Chief Operating Officer	$ 78	$ 73
Garfield Minkus	Property Appraiser	58	57
Scott Millar	Property Appraiser	58	57
Normand Le Neal	Controller	56	55
Larry Pearson	Property Appraiser	56	-
McLeod Jerry	Property Appraiser	55	50
Rob Lucky	Property Appraiser	53	-
Edwin Froese	Property Appraiser	52	55
Calvin Pishak	Info Technologist	50	-
John Wiebe	Property Appraiser	-	75
Lawrence Mayer	Property Appraiser	-	65
Richard Staub	Property Appraiser	-	55
Brett Ferguson	Property Appraiser	-	52

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2004

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors

Pineland
Forest Nursery

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of the management of Pineland Forest Nursery and have been prepared in accordance with generally accepted accounting principles. In management's opinion the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data up to May 26, 2004.

Management maintains internal controls to properly safeguard the assets and to provide reasonable assurance that the books and records from which the financial statements are derived accurately reflect all transactions and that established policies and procedures are followed.

The responsibility of the Auditor is to express an independent opinion on whether the financial statements of Pineland Forest Nursery are fairly represented in accordance with generally accepted accounting principles. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Trevor Stanley
General Manager

May 26, 2004

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority

Financial Statements
For the year ended March 31, 2004

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BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **Pineland Forest Nursery, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2004 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Nursery's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nursery as at March 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 26, 2004

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Balance Sheet

(in thousands)

March 31	2004	2003
Assets		
Current Assets		
Accounts receivable (Note 2)	$ 331	$ 388
Unbilled revenue	344	252
Inventory	120	147
Prepaid expenses	45	50
	840	837
Receivable from the Province of Manitoba (Note 3)	187	187
Capital assets (Note 4)	2,369	2,538
	$ 3,396	$ 3,562
Liabilities and Equity		
Current Liabilities		
Working capital advances (Note 5)	$ 2,251	$ 2,237
Accounts payable and accrued liabilities	178	149
Current portion of long-term debt (Note 6)	51	47
	2,480	2,433
Long-term debt (Note 6)	-	51
Severance pay liability (Note 7)	147	134
	2,627	2,618
Contributed equity (Note 8)	356	356
Retained earnings (Page 5)	413	588
	769	944
	$ 3,396	$ 3,562

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Income

(in thousands)

For the year ended March 31	2004	2003
Revenue		
Private sector		
Overwinter	$ 907	$ 846
Current	421	229
Seed services	139	163
Tree improvement	58	73
Poplar program	-	4
Other	1	-
	1,526	1,315
Province of Manitoba		
Overwinter	1,280	1,211
Current	88	328
Seed services	11	18
Other	-	1
	1,379	1,558
	2,905	2,873
Expenses		
Salaries and benefits	1,490	1,408
Operating expenses (Page 11)	1,147	1,184
Amortization - capital assets	355	361
Interest - operating loan	79	69
Interest - capital loan	9	13
	3,080	3,035
Net loss for the year (Page 5)	$ (175)	$ (162)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Statement of Retained Earnings

(in thousands)

For the year ended March 31		2004		2003
Retained earnings, beginning of year	$	588	$	750
Net loss for the year (Page 4)		(175)		(162)
Retained earnings, end of year (Page 3)	$	413	$	588

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Statement of Cash Flows
(in thousands)

For the year ended March 31	2004	2003
Cash Flows from Operating Activities		
Net loss for the year	$ (175)	$ (162)
Adjustment for		
Amortization - capital assets	355	361
	180	199
Changes in non-cash working capital		
Accounts receivable	57	82
Unbilled revenue	(92)	(198)
Inventory	27	21
Prepaid expenses	5	(8)
Accounts payable and accrued liabilities	29	(9)
Severance pay liability	13	13
	39	(99)
	219	100
Cash Flows from Investing Activities		
Acquisition of capital assets	(186)	(151)
Cash Flows from Financing Activities		
Repayment of long-term debt	(47)	(43)
Net decrease in cash and cash equivalents	(14)	(94)
Cash and cash equivalents, beginning of year	(2,237)	(2,143)
Cash and cash equivalents, end of year	$ (2,251)	$ (2,237)
Supplementary Information		
Interest paid	$ 88	$ 82

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority
Summary of Significant Accounting Policies
(in thousands)

March 31, 2004

Basis of Reporting

The financial statements of the Nursery have been prepared in accordance with Canadian generally accepted accounting principles.

Inventory

Supplies inventory is valued at the lower of cost and replacement cost.

Capital Assets

Capital assets are recorded at cost and amortized on a declining balance basis at the following rates:

Greenhouses, coldframes, freezers, holding area, minor service buildings, major pump-house, major service buildings, propane conversion	10%
Equipment	20% - 30%

Amortization on current year additions is pro-rated based on the length of time in use in the current year.

Accrued Vacation Entitlement

The Nursery follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1995. The liability at this date is offset by a receivable from the Province and was $99 as at March 31, 1995. Any subsequent changes to the entitlement are reflected as a current year expense to the Nursery. As at March 31, 2004 there was a decrease to the entitlement in the amount of $11. The accrued vacation entitlement was $114 as of March 31, 2004 (2003 - $103) and is included in accounts payable and accrued liabilities.

Revenue Recognition

Revenues are recognized on a percentage of completion basis. Any excess of revenue recorded on a percentage of completion basis over amounts billed is recorded as unbilled revenue.

Financial Instruments

The Nursery's financial instruments consist of accounts receivable, unbilled revenue, working capital advances, accounts payable and accrued liabilities, long-term debt and severance pay liability. Unless otherwise noted, it is management's opinion that the Nursery is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

It is management's opinion that the fair value of these financial instruments approximates their carrying value.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Notes to Financial Statements
(in thousands)

March 31, 2004

1. Nature of Organization

In 1953, Pineland Provincial Forestry Nursery was established to meet all the nursery stock requirements of the province at one location. Prior to 1953 there were several small nurseries located throughout the province. Effective April 1, 1995, Pineland Forest Nursery was designated as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) and operates under a charter approved by the Lieutenant Governor in Council.

A management agreement between the Financing Authority and the Minister of Conservation assigns responsibility to the Nursery to manage and account for the agency related assets and operations on behalf of the Financing Authority. Pineland Forest Nursery continues to be part of the Manitoba Conservation under the general direction of the Assistant Deputy Minister of Conservation and ultimately the policy direction of the Deputy Minister and the Minister. Pineland Forest Nursery remains bound by relevant legislation of regulations. It is also bound by administrative policy, except where specific exemptions have been provided for in its charter in order to meet business objectives.

Pineland Forest Nursery is economically dependent on the Province of Manitoba, because it derives a significant portion of its revenue from the province and all of its financing requirements through the Financing Authority.

2. Accounts Receivable

	2004	2003
Trade Receivables		
Province of Manitoba	$ 210	$ 231
Other	164	196
	374	427
Allowance for doubtful accounts	(43)	(39)
	$ 331	$ 388

3. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation entitlements earned by the employees of the Nursery prior to creation of the Special Operating Agency on April 1, 1995 and for severance pay benefits earned prior to April 1, 1998. This receivable, or portion thereof, for the Nursery, will be collected in the event there is a cash shortfall. However, this is only likely to happen on dissolution of the Nursery. The balance is comprised of:

	2004	2003
Vacation entitlements	$ 99	$ 99
Severance pay benefits	88	88
	$ 187	$ 187

4. Capital Assets

	2004		2003	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Buildings	$ 3,904	$ 2,085	$ 3,882	$ 1,883
Equipment	1,561	1,011	1,398	859
	$ 5,465	$ 3,096	$ 5,280	$ 2,742
Cost less accumulated amortization		$ 2,369		$ 2,538

5. Working Capital Advances

The Financing Authority has provided the Nursery with an authorized line of working capital of $3,000 of which $2,251 was advanced at March 31, 2004 (2003 - $2,237).

6. Long-term Debt

	2004	2003
Loan payable	$ 51	$ 98
Current portion of long-term debt	(51)	(47)
	$ -	$ 51

The Financing Authority assumed a loan payable to the Province of Manitoba on behalf of the Nursery as specified in the Management Agreement. The loan payable was issued for $356 at an interest rate of 9% repayable by the Nursery in annual installments of $55 principal and interest, maturing in 2005.

Principal repayments over the next year is as follows:

2005	$ 51

7. Severance Pay Liability

Effective April 1, 1998, the Nursery began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Nursery's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $88 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Nursery's actuarial liability has been calculated to be $147 as at March 31, 2004 (2003 - $134).

8. Contributed Equity

The Special Operating Agencies Financing Authority and the Province of Manitoba entered into a Transfer Agreement respecting the transfer from the Province to the Financing Authority of inventory and capital assets valued at $712 required for the continuing operations of Pineland Forest Nursery as at March 31, 1995. The Nursery is responsible to repay the Special Operating Agencies Financing Authority the debt portion, in the amount of $356 (being half of the value of the assets) and to record the remainder as the Province's equity in the Financing Authority as related to the Nursery's operations.

PINELAND FOREST NURSERY
An Agency of the Special Operating Agencies Financing Authority
Schedule of Operating Expenses
(in thousands)

For the year ended March 31	2004	2003
Supplies	$ 279	$ 279
Natural gas and hydro	352	396
Repairs and maintenance	190	206
Property taxes and insurance	96	83
Office	78	87
Departmental services and professional fees	48	48
Freight	46	38
Marketing	43	25
Travel	11	25
Bad debts (recovery)	4	(3)
	$ 1,147	$ 1,184

PINELAND FOREST NURSERY

An Agency of the Special Operating Agencies Financing Authority

Schedule of Public Sector Compensation Disclosure

(in thousands)

For the year ended March 31 2004

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2004, the following employees received compensation of $50 or more:

Employee	**Title**	**Compensation**
Trevor Stanley	General Manager	$ 68
David Flight	Manager	50
Richard Lepage	Manager	50
Barbara North	Manager	50

COMPANIES OFFICE

FINANCIAL STATEMENTS

MARCH 31, 2004

REPONSIBILITY FOR FINANCIAL REPORTING

The Agency's management is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by Magnus & Buffie, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On Behalf of Management;

Myron Pawlowsky
Chief Operating Officer

Dave Rudy
Controller

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

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MARCH 31, 2004

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MAGNUS & BUFFIE
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the Companies Office, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of earnings and retained earnings and cash flow for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Magnus & Buffie

May 18, 2004

CHARTERED ACCOUNTANTS

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

BALANCE SHEET
(in thousands)
MARCH 31, 2004

	2004	2003
ASSETS		
CURRENT ASSETS		
Cash and Short Term Deposits	$ 2,139	$ 1,736
Accounts Receivable (Note 4)	153	92
Prepaid Expenses	16	15
	2,308	1,843
RECEIVABLE FROM PROVINCE OF MANITOBA (Note 5)	218	218
CAPITAL ASSETS (Note 6)	84	86
	$ 2,610	$ 2,147
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable and Accrued	$ 303	$ 70
Accrued Vacation Entitlements	149	149
	452	219
SEVERANCE PAY LIABILITY (Note 7)	218	206
	670	425
EQUITY		
RETAINED EARNINGS	1,940	1,722
	$ 2,610	$ 2,147

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF EARNINGS AND RETAINED EARNINGS
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
REVENUE		
Fees and Services	$ 4,757	$ 4,648
Less: Gazette Advertising	-	19
	4,757	4,629
Interest	41	33
	4,798	4,662
EXPENSES		
Salaries and Employee Benefits	1,410	1,397
Operating Expenses (Page 7)	2,348	2,034
Amortization - Capital Assets	22	18
	3,780	3,449
NET EARNINGS FOR THE YEAR	1,018	1,213
RETAINED EARNINGS, Beginning of Year	1,722	1,509
	2,740	2,722
REVENUE SHARE TO PROVINCE OF MANITOBA	800	1,000
RETAINED EARNINGS, End of Year	$ 1,940	$ 1,722

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

STATEMENT OF CASH FLOW
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
CASH FLOW FROM (USED IN)		
OPERATING ACTIVITIES		
Net Earnings for the Year	$ 1,018	$ 1,213
Adjustments for		
Amortization - Capital Assets	22	18
Severance Pay Expense	12	11
	1,052	1,242
Changes in the following		
Accounts Receivable	(61)	16
Prepaid Expenses	(1)	1
Accounts Payable and Accrued	233	10
Accrued Vacation Entitlements	-	9
	1,223	1,278
FINANCING ACTIVITY		
Revenue Share to Province of Manitoba	(800)	(1,000)
INVESTING ACTIVITY		
Capital Asset Additions	(20)	(44)
CHANGE IN CASH AND SHORT TERM DEPOSITS	403	234
CASH AND SHORT TERM DEPOSITS, Beginning of Year	1,736	1,502
CASH AND SHORT TERM DEPOSITS, End of Year	$ 2,139	$ 1,736

NOTES TO FINANCIAL STATEMENTS
(in thousands)
MARCH 31, 2004

1. NATURE OF ORGANIZATION

Effective April 1, 1996, the Lieutenant Governor in Council designated the Companies Office (the "Agency") as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. cS185) by Order in Council. Another Order also gave approval to the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Agency, to enter into a management agreement with respect to the Agency. The management agreement assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA. SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. This financial framework enables the Agency to operate in a business like manner according to public policy expectations.

The Agency is part of Manitoba Consumer and Corporate Affairs Division in the Department of Finance under the general direction of the Minister, Finance, the Deputy Minister and Assistant Deputy Minister who is also Chairperson of the Companies Office Advisory Board.

The Agency remains bound by relevant legislation and regulation. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting: The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets: Capital assets are amortized over their estimated useful lives as follows:

Computer Equipment and Software	20% straight line (10% in year of acquisition)
Office Equipment	20% straight line (10% in year of acquisition)
Furniture and Fixtures	20% straight line (10% in year of acquisition)

3. FINANCING ARRANGEMENTS

Working capital advances and long-term financing for significant capital purchases are provided to the Agency through the Special Operating Agencies Financing Authority. The Financing Authority has approved a $100 limit in working capital advances. The Agency did not access working capital advances during the year.

4. ACCOUNTS RECEIVABLE

	2004	2003
Trade	$ 27	$ 21
Accrued Revenue	126	71
	$ 153	$ 92

5. RECEIVABLE FROM PROVINCE OF MANITOBA

The receivable from the Province of Manitoba is for vacation and severance entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency and severance pay benefits prior to April 1, 1998. The balance is comprised of:

	2004	2003
Vacation Entitlements	$ 92	$ 92
Severance Pay Benefits (Note 7)	126	126
	$ 218	$ 218

The timing of the collection of these receivables will vary. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2004	Net Book Value 2003
Computer Equipment and Software	$ 49	$ 31	$ 18	$ 6
Office Equipment	16	9	7	4
Furniture and Fixtures	96	37	59	76
	$ 161	$ 77	$ 84	$ 86

7. SEVERANCE PAY LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability is based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $170 was completely offset by a receivable from the Province.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in prior years. The receivable from the Province was estimated at $126 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $218 as at March 31, 2004.

8. LEASE COMMITMENTS

The Agency has not entered into a lease agreement with the Province of Manitoba for rental facilities at 405 Broadway. Occupancy charges for the year ending March 31, 2005 are estimated to be $125 (2004 - $122).

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF OPERATING EXPENSES
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

	2004	2003
Accounting	$ 13	$ 16
Audit	4	4
Bad Debts	2	2
Bank Charges	14	11
BSI cost allocation	1,241	1,237
Communications	26	29
Computer	93	75
Conversion/Implementation	81	88
Department Services	30	30
Desktop	97	108
Disaster Recovery	35	-
Equipment Maintenance and Rentals	7	7
Insurance	12	9
Legal Services	65	11
Manitoba Business Links	201	-
Miscellaneous	14	8
NUANS	149	142
Office Rent	122	121
Payroll Processing	20	17
Postal and Courier	45	44
Programmers	22	27
Stationery	48	43
Transportation	7	5
	$ 2,348	$ 2,034

COMPANIES OFFICE
AN AGENCY OF THE SPECIAL OPERATING AGENCIES FINANCING AUTHORITY
PROVINCE OF MANITOBA

SCHEDULE OF PUBLIC SECTOR COMPENSATION DISCLOSURE
(in thousands)
FOR THE YEAR ENDED MARCH 31, 2004

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum. This information follows:

EMPLOYEE	TITLE	COMPENSATION 2004	COMPENSATION 2003
Myron Pawlowsky	Chief Operating Officer	$ 81	$ 79
Joan Alty	Deputy Director - Legal	65	59
Shane Lasker	Acting Deputy Director - Legal	65	63
Dave Rudy	Controller	62	58
Linda Kalinski	Deputy Director - Operations	57	56
Isabelle Aubin	Supervisor	50	51

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

March 31, 2004

TREASURY BOARD

JUN 29 2004

SECRETARIAT

MTBB
www.mtbb.mb.ca

MANITOBA TEXT BOOK BUREAU
130 - 1st Avenue West
P.O. Box 910
Souris, Manitoba R0K 2C0

Tel: (204) 483-5040
(866) 771-6822 (MB & Sask.)
Fax: (204) 483-5041

A Special Operating Agency of Manitoba Education, Citizenship and Youth

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Bureau are properly safeguarded. Staff at the Auditor General's Office review internal controls and reports their findings to management.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

Lanny Kingerski
Chief Operating Officer

Denis Labossiere, C.G.A.
Controller

Souris, Manitoba
May 14, 2004

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Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba
To The Manitoba Text Book Bureau
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Manitoba Text Book Bureau, An Agency of the Special Operating Agencies Financing Authority as at March 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Bureau as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General
Office of the Auditor General

Winnipeg, Manitoba
May 14, 2004

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Balance Sheet

(in thousands)

March 31	2004	2003
Assets		
Current		
Cash and cash equivalents	$ 9	$ 12
Accounts receivable	573	318
Inventory	2,209	2,563
Prepaid expenses	13	17
	2,804	2,910
Receivable from Province of Manitoba (Note 7)	64	64
Capital assets (Note 3)	95	94
	$ 2,963	$ 3,068
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 818	$ 802
Customer deposit accounts	82	49
Working capital advance (Note 9)	1,315	1,492
	2,215	2,343
Accrued severance liability (Note 7)	54	49
	2,269	2,392
Equity		
Contributed equity (Note 4)	550	550
Retained earnings	144	126
	694	676
	$ 2,963	$ 3,068

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statements of Income and Retained Earnings

(in thousands)

Year Ended March 31	2004	2003
Sales	$ 7,361	$ 7,558
Cost of goods sold:		
Inventory, beginning of year	2,563	2,289
Purchases	5,834	6,642
Transportation in	28	31
Transportation out	110	129
	8,535	9,091
Inventory, end of year	2,209	2,563
Cost of goods sold	6,326	6,528
Gross profit	1,035	1,030
General and administrative expenses		
Amortization	40	37
Audit	7	6
Bad Debts		3
Computer expense	55	65
Employee benefits	67	63
Interest	52	56
Marketing	29	28
Office	32	36
Office occupancy	56	56
Postage	3	4
Salaries	377	362
Telephone	11	12
Training		1
Travel	17	20
Warehouse occupancy	83	82
Warehouse service	188	184
	1,017	1,015
Net income	$ 18	$ 15
Retained earnings, beginning of year	$ 126	$ 111
Net income	18	15
Retained earnings, end of year	$ 144	$ 126

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flows

(in thousands)

Year Ended March 31	2004	2003
Increase (decrease) in cash and cash equivalents		
Operating		
Net income	$ 18	$ 15
Amortization	40	37
	58	52
Changes in		
Accounts receivable	(255)	74
Inventory	354	(274)
Prepaid expenses	4	36
Accounts payable and accrued liabilities	16	185
Customer deposit accounts	33	(216)
	210	(143)
Investing		
Acquisition of capital assets	(41)	(22)
Financing		
Accrued severance liability	5	5
Changes in working capital advance	(177)	160
	(172)	165
Net decrease in cash and cash equivalents	(3)	0
Cash and cash equivalents, beginning of year	12	12
Cash and cash equivalents, end of year	$ 9	$ 12

See accompanying notes to the financial statements.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements

(in thousands)

For the year ended March 31, 2004

1. Nature of operations

In 1931, the Manitoba Text Book Bureau (MTBB) was created as a branch of the Department of Education. It was established to achieve economies of scale and reduce the cost of learning resources for schools in Manitoba.

Effective April 1, 1996, the MTBB was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S 185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The MTBB is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations. It finances the MTBB through working capital advances. This financial framework enables the MTBB to operate in a business-like manner according to public policy expectations.

A Management Agreement between the Special Operating Agencies Financing Authority and the Minister of Education and Training assigns responsibility to the MTBB to manage and account for the MTBB related assets and operations on behalf of SOAFA.

The MTBB continues to be part of the Department of Education, Citizenship and Youth under the general direction of the Assistant Deputy Minister, School Programs Division, and ultimately the policy direction of the Deputy Minister and Minister.

The MTBB remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided in its charter in order to meet business objectives.

2. Significant accounting policies

Basis of reporting

The financial statements of the MTBB are presented in accordance with Canadian Generally Accepted Accounting Principles.

Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Manitoba Text Book Bureau
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
(in thousands)
For the year ended March 31, 2004

2. Significant accounting policies - continued

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories are valued using the average unit cost method.

Capital assets

Capital assets are recorded at cost in the year of acquisition. Rates and basis of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Office equipment, furniture and video recording equipment	20% declining balance
Computer software and equipment	20% straight line

3. Capital assets

			2004	2003
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Computer software & equipment	$ 250	$ 177	**$ 73**	$ 66
Office equipment & furniture	28	18	**10**	12
Video recording equipment	63	51	**12**	16
	$ 341	$ 246	**$ 95**	$ 94

4. Contributed equity

SOAFA and the Government of Manitoba entered into a Transfer Agreement in connection with the transfer from Manitoba to SOAFA of assets valued at $5,240 and liabilities of $4,690 required for the continuing operations of the MTBB as at March 31, 1996. The Manitoba Text Book Bureau recorded the balance of $550 (being the value of the net assets) as Manitoba's Contributed Equity in SOAFA as related to the Bureau's operations.

5. Contractual obligations

The MTBB has contracted with Materials Distribution Agency (MDA) for the provision of warehousing and distribution services for a period of three years, from April 1, 2002 to March 31, 2005. The total cost for the contract is $815, of which $564 is a labour, packaging and supplies component, and $251 is an occupancy component.

6. Related party transactions

The MTBB is related in terms of common ownership to all Province of Manitoba created Departments, Agencies and Crown Corporations. The MTBB enters into transactions with these entities in the normal course of business.

7. Severance Liability

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability as at April 1, 1998 calculated at $63 was completely offset by a receivable from the Province.

The receivable from the Province, or portion thereof, for the MTBB, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the MTBB.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed in 2001. The liability as at March 31, 2000 was restated to $46 and the receivable from the Province was restated to $64 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $54 as at March 31, 2004.

8. Public sector compensation

Pursuant to the disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to Advisory Board members. During the fiscal year ended March 31, 2004, the following employees received compensation in excess of $50.

Name	Position	2004	2003
Lanny Kingerski	Chief Operating Officer	$ 72	$ 69
Denis Labossiere	Controller	$ 60	$ 55

9. Working capital

The MTBB has an authorized line of working capital advances of $4,000 of which $1,315 was used as of March 31, 2004 (2002 - $1,492).

10. Financial instruments

The MTBB's financial instruments consist of cash, accounts receivable, prepaid expenses, accounts payable, customer deposits, and a working capital advance. Unless otherwise noted, it is management's opinion that MTBB is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

MAIL MANAGEMENT AGENCY

Financial Statements

Year Ended March 31, 2004

MMA
AIL MANAGEMENT AGENCY
200 Vaughan Street • Winnipeg MB R3C 1T5

Mail Management Agency
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Responsibility of Financial Reporting

The Agency's management is responsible for the financial statements and other financial information in the annual report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and the results of operations in accordance with generally accepted accounting principles. The Exchange Group - Chartered Accountants, independent external auditors, has audited the financial statements.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that the transactions are authorized, properly recorded and reported and that the assets are safeguarded.

An Advisory Board is available to meet, as required, with management to review accounting practices, financial reporting and to discuss audit results. During the year, management met once with the Advisory Board. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

Greg Bowers
A/Chief Operating Officer

June 2, 2004

TREASURY BOARD
JUL 5 200
SECRETARIAT

A Special Operating Agency of Manitoba Government Services

MAIL MANAGEMENT AGENCY

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Year Ended March 31, 2004

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EXG

THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Mail Management Agency, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
May 11, 2004

MAIL MANAGEMENT AGENCY

Balance Sheet
(In Thousands)

March 31, 2004

	2004	2003
ASSETS		
CURRENT		
Accounts receivable	$ 835	$ 763
Prepaid expenses	162	121
	997	884
DUE FROM PROVINCE *(Note 3)*	124	124
FIXED ASSETS *(Notes 2, 4)*	232	283
OTHER ASSETS *(Notes 2, 5)*	-	12
	$ 1,353	$ 1,303
LIABILITIES		
CURRENT		
Working capital payable *(Note 6)*	$ 483	$ 631
Accounts payable	296	137
Current portion of capital lease obligation *(Note 9)*	38	40
	817	808
SEVERANCE LIABILITY *(Note 7)*	75	76
CAPITAL LEASE OBLIGATION *(Note 9)*	72	113
	964	997
EQUITY		
Contributed surplus *(Note 11)*	51	51
Retained earnings	338	255
	389	306
	$ 1,353	$ 1,303

MAIL MANAGEMENT AGENCY

Statement of Income and Retained Earnings
(In Thousands)

Year Ended March 31, 2004

	2004	2003
REVENUE		
Mail processing	$ 5,350	$ 5,611
Mail finishing	360	352
Printing	112	100
Contract administration	60	61
Inter department mail	585	450
Other	1	-
	6,468	6,574
EXPENSES		
Amortization	90	79
Communications	8	10
Courier	155	147
Employee benefits	137	142
Equipment rental and maintenance	67	72
Interest and bank charges	17	18
Leases	23	65
Miscellaneous operating	35	24
Network	24	26
Occupancy	116	115
Office	34	28
Postage	4,847	5,045
Professional fees	3	7
Salaries	808	806
Sub-contracts	21	25
	6,385	6,609
NET INCOME (LOSS)	83	(35)
RETAINED EARNINGS - BEGINNING OF YEAR	255	290
RETAINED EARNINGS - END OF YEAR	$ 338	$ 255

MAIL MANAGEMENT AGENCY

Statement of Cash Flow
(In Thousands)

Year Ended March 31, 2004

	2004	2003
OPERATING ACTIVITIES		
Cash receipts from customers	$ 6,396	$ 6,427
Cash paid to suppliers and employees	(6,166)	(6,721)
Cash flow from (used by) operating activities	230	(294)
INVESTING ACTIVITY		
Additions to fixed assets	(39)	(193)
Cash flow used by investing activity	(39)	(193)
FINANCING ACTIVITY		
Capital lease obligation	(43)	126
Cash flow from (used by) financing activity	(43)	126
INCREASE (DECREASE) IN CASH FLOW	148	(361)
Deficiency - beginning of year	(631)	(270)
DEFICIENCY - END OF YEAR	$ (483)	$ (631)

MAIL MANAGEMENT AGENCY

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2004

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1. DESCRIPTION OF OPERATIONS

In 1956, Mail Management (Postal Service) was created as a branch of the Manitoba Provincial Government to provide centralized postal management.

Effective April 1, 1996, the Postal Service was renamed Mail Management Agency (MMA) and designated as a Special Operating Agency (SOA) pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

MMA is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from MMA operations. It finances MMA through repayable loans and working capital advances. The financial framework enables the Agency to operate in a business-like manner according to the public policy expectations.

A Management Agreement between the Financing Authority and the Minister of Transportation and Government Services assigns responsibility to MMA to manage and account for MMA related assets and operations on behalf of the Financing Authority.

MMA continues to be part of Manitoba Government Services under the general direction of the Assistant Deputy Minister, Supply and Services Division, and ultimately the policy direction of the Deputy Minister and Minister.

MMA remains bound by relevant legislation and regulations. It is also bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Financing Authority is economically dependent on the Province of Manitoba. Currently, the Financing Authority derives most of its revenue and all of its capital financing requirements from the Province.

---

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Fixed Assets

Fixed assets are recorded at cost and are amortized annually at the following rates and bases:

Production equipment	20%	declining balance method
Computer equipment	20%	straight-line method
Capital lease		lease term straight-line method

Other Assets

Other assets are recorded at cost and are amortized at the following rate on a straight-line basis:

Computer conversion - over 5 years

3. DUE FROM PROVINCE

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of Mail Management Agency prior to its designation as a Special Operating Agency. It also includes severance pay benefits earned by the employees to March 31, 1998. The balance is comprised of:

	2004	2003
Vacation entitlements	$ **60**	$ 60
Severance pay benefits	**64**	64
	$ **124**	$ 124

The receivable, or portion thereof, for Mail Management Agency will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

4. FIXED ASSETS

	Cost	Accumulated amortization	**2004 Net book value**	2003 Net book value
Production equipment	$ 332	$ 221	$ **111**	$ 121
Computer equipment	7	5	**2**	3
Capital lease	189	70	**119**	159
	$ 528	$ 296	$ **232**	$ 283

5. OTHER ASSETS

	Cost	Accumulated Depreciation	**2004** Net Book Value	2003 Net Book Value
Computer Conversion	$ -	$ -	$ **-**	$ 12

6. WORKING CAPITAL PAYABLE

MMA has an authorized line of working capital advances of $1,500 of which $1,017 is available as at March 31, 2004.

MAIL MANAGEMENT AGENCY

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2004

7. SEVERANCE LIABILITY

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance at April 1, 1998 of $89 was completely offset by a receivable from the Province.

An actuarial report of the Agency's severance as at March 31, 2000 was restated to $75 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $75 as at March 31, 2004 (2003 - $76).

8. THE PUBLIC SECTOR COMPENSATION DISCLOSURE ACT

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

Name	Position	2004	2003
Greg Bowers	Acting Chief Operating Officer	$ 58	$ 54

9. CAPITAL LEASE OBLIGATION

	2004	2003
Pitney Bowes capital lease bearing interest at 2.37 % per annum, repayable in quarterly instalments of $2 blended principal and interest. The capital lease ends on January 31, 2006 and is secured by high speed mailing machine.	$ 14	$ 21
Xerox Canada capital lease repayable by a fixed annual contract fee of $24. The capital lease ends on January 30, 2008.	71	95
DeLage Landen capital lease repayable in quarterly payments of $2. The capital lease ends on December 31, 2006.	25	37
	110	153
Amounts payable within one year	(38)	(40)
	$ 72	$ 113

Principal repayment terms are approximately:

2005	$ 38
2006	43
2007	29
	$ 110

10. COMMITMENT

The Agency has not entered into lease agreements with the Province of Manitoba for the five locations that it operates (200 Vaughan Street, Winnipeg; 405 Broadway, Winnipeg; 450 Broadway, Winnipeg; 340 - 9th Street, Brandon; and 25 Tupper Street, Portage la Prairie). Occupancy charges for the year ended March 31, 2004 were $116, whereas charges for the year ended March 31, 2003 were $115.

11. CONTRIBUTED EQUITY

SOAFA and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer from Manitoba to the Financing Authority of fixed assets valued at $102 required for continuing operations of the Mail Management Agency as at March 31, 1996. The Agency is responsible to repay Special Operating Agencies Financing Authority the debt portion in the amount of $51 (being one-half of the value of the assets) and to record the balance of $51(being one-half of the value of the assets) as Manitoba's equity in the Financing Authority as related to the Agency's operations. The debt portion has been repaid.

12. FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

13. SUBSEQUENT EVENT

The Province of Manitoba has announced, on April 19, 2004, its intention to merge Driver Vehicle Licensing (DVL), currently operating as part of Transportation and Government Services, with Manitoba Public Insurance (MPI). As at the date of release of the financial statements, it is unknown whether DVL will continue using the mailing services of Mail Management Agency. For the year ended March 31, 2004, DVL utilized $880 (2003 - $838) in services, of which $105 (2003 - $91) was directly related to the contribution margin of Mail Management Agency.

Industrial Technology Centre - An Agency of the Special Operating Agencies Financing Authority

Financial Statements

For the year ended March 31, 2004

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors

Industrial Technology Centre
A Special Operating Agency of Manitoba Energy, Science and Technology
Unit 12 - 1329 Niakwa Road East
Winnipeg MB R2J 3T4
Phone: (204) 945-6000
Fax: (204) 945-1784
Toll free: 1-800-728-7933
Web page: www.itc.mb.ca
REGISTERED ISO 9001

May 28, 2004

For the year ended March 31, 2004

The accompanying financial statements of the Industrial Technology Centre are the responsibility of management and have been prepared by ITC in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 28, 2004.

Management maintains internal controls designed to indicate responsibility, provide reasonable assurance of the reliability and accuracy of the financial statements, and properly safeguard ITC's assets.

The responsibility of the external audit is to express an independent, professional opinion lending assurance and objectivity as to whether the financial statements of ITC are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

T.J. Cornell

Trevor Cornell
Chief Operating Officer

David Olafson
Manager, Corporate Services

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Industrial Technology Centre** as at March 31, 2004 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 28, 2004

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Balance Sheet

As at March 31, 2004

(in thousands)	2004	2003
Assets		
Current		
Cash and funds on deposit with Minister of Finance net of working capital advance (Note 3)	$ 847	$ 762
Accounts receivable	234	126
Prepaid expenses	17	25
	1,098	913
Due from Province of Manitoba (Note 5)	103	103
Capital assets (Notes 2 and 4)	522	672
	$ 1,723	$ 1,688
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 289	$ 259
Severance liability (Note 5)	176	160
	465	419
Equity		
Contributed Equity (Note 6)	62	62
Retained Earnings	1,196	1,207
	1,258	1,269
	$ 1,723	$ 1,688

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE

An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba

Statement of Earnings and Retained Earnings

For the year ended March 31, 2004
(in thousands)

	2004	2003
Revenue		
Province of Manitoba	$ 750	$ 750
Fee for service	1,331	1,780
Other	51	18
	2,132	2,548
Operating expenses		
Advertising and promotion	95	33
Amortization	166	188
Audit and legal	5	5
Bad debts	7	1
Building maintenance	42	54
Computer	12	7
Equipment	39	24
Fees and memberships	18	26
Heat and utilities	33	36
Insurance	52	50
Library operations	24	32
Loss on disposal	-	5
Office	52	62
Professional development	3	23
Project supplies and subcontract	96	99
Purchased services	5	26
Rent and property tax	121	114
Salaries and benefits	1,348	1,712
Travel	25	46
	2,143	2,543
Net earnings (loss)	(11)	5
Retained earnings at beginning of period	1,207	1,202
Retained earnings at end of period	$ 1,196	$ 1,207

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Statement of Cash Flow

For the year ended March 31, 2004

(in thousands)	2004	2003
Cash derived from (applied to):		
Operating activities		
Net earnings (loss)	($ 11)	$ 5
Items not involving cash		
Amortization	166	188
Loss on disposal	-	5
	155	198
Changes in non-cash working capital balances		
Accounts receivable	(108)	271
Prepaid expenses	8	1
Accounts payable and accrued liabilities	30	(260)
Severance liability	16	11
	101	221
Investing activities		
Acquisition of capital assets	(16)	(17)
Net increase (decrease) in cash and cash equivalents	85	204
Cash and cash equivalents at beginning of period	762	558
Cash and cash equivalents at end of period	$ 847	$ 762
Represented by:		
Cash and bank	$ 38	$ 52
Funds on deposit with the Minister of Finance	809	710
	$ 847	$ 762
Interest revenue included in cash flow from operating activities	$ 20	$ 14

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL TECHNOLOGY CENTRE
An Agency of the
Special Operating Agencies Financing Authority
Province of Manitoba
Notes to the Financial Statements
For the year ended March 31, 2004
(in thousands)

1. Nature of Organization

The Industrial Technology Centre (ITC) was established in 1979 under "Enterprise Manitoba", a joint Federal/Provincial cost-shared funding agreement. ITC was managed by the Manitoba Research Council until September 1992 when responsibility for ITC was transferred to the Economic Innovation & Technology Council (EITC). ITC was created as a technical resource for Manitoba industry and government and continues to provide a wide range of technical services to both the private and public sectors.

Effective April 1, 1996, ITC was designated as a Special Operating Agency under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M., and operates under a charter approved by the Lieutenant Governor in Council. ITC operates as part of Manitoba Energy, Science and Technology under the general direction of the Deputy Minister.

ITC is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Agency operations and has access to a working capital loan. The financial framework allows the Agency to operate in a business-like manner, which is facilitated by SOA status.

A Management Agreement between SOAFA and the Minister of Energy, Science and Technology assigns responsibility to the Agency to manage and account for the Agency-related assets and operations on behalf of SOAFA.

An Economic Development Contribution Agreement between ITC and Manitoba Energy, Science and Technology defines expected public policy benefits generated from ITC's operations.

ITC has full delegated authority for all administrative, financial and operational matters. This delegation is subject to any limitations, restrictions, conditions and requirements imposed by legislation or by the Minister.

2. Significant Accounting Policies

Basis of reporting

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Capital assets

Capital assets are recorded at cost. Amortization, intended to write off the assets over their estimated useful lives, is recorded at the following annual rates and methods:

Furniture and fixtures	20%, declining balance
Office and laboratory equipment	20%, declining balance
Computer equipment and software	20%, straight-line
Leasehold improvements	20%, straight-line

3. Working Capital Advance

The Agency has an authorized line of working capital advances up to a maximum of $300. As at March 31, 2004 working capital advances were nil (2003 – nil). The line bears interest at the prime rate and is not secured by specific assets.

4. Capital Assets

	2004		2003	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Furniture and fixtures	$ 4	$ 2	$ 4	$ 2
Office and laboratory equipment	780	447	764	365
Computer equipment and software	414	256	416	184
Leasehold improvements	49	20	49	10
	$ 1,247	$ 725	$ 1,233	$ 561
Net book value	$ 522		$ 672	

5. Severance Pay Benefits

Effective April 1, 1998, ITC began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by ITC's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 calculated at $103 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Industrial Technology Centre, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Industrial Technology Centre.

An actuarial valuation report of ITC's severance as at March 31, 2000 has been completed. The report provides a formula to update the liability on an annual basis. ITC's liability has been calculated in accordance with this formula.

6. Contributed Equity

A Transfer Agreement between the Special Operating Agencies Financing Authority (SOAFA) and Manitoba effected a transfer of capital assets, current assets and current liabilities from Manitoba to SOAFA as at March 31, 1996. Net assets in the amount of $124 were transferred to continue the operations of ITC. ITC has repaid SOAFA the debt portion of $62 (50% of the value of the net assets) and recorded the remaining $62 (50% of the value of the net assets) as Manitoba's equity in SOAFA as related to the Agency's operations.

7. Commitment

The Agency has entered into a lease agreement for rental of the facilities at 1329 Niakwa Road East, Winnipeg, Manitoba. The lease, expiring on March 31, 2005, requires future lease payments as follows:

2005	$ 91

8. Related Party Transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

9. Public Sector Compensation

Pursuant to The Public Sector Compensation Disclosure Act, the following employees of ITC have received compensation of $50 or more, including benefits and severance payments, in the year ended March 31, 2004:

		2004	2003
Cattani, J.	Eco. Dev. Consultant 4	$ n/a	$ 68
Cornell, T.	Executive Officer 1	94	93
de Graaf, P.	Eco. Dev. Consultant 4	n/a	68
Herwig, W.	Engineer 5	70	68
Kellington, D.	Engineer 5 (acting status)	57	50
Mitchell, T.	Eco. Dev. Consultant 4	n/a	71
Olafson, D.	Financial Officer 6	64	64
Park, J.	Engineer 5	74	69
Pizey, G.	Engineer 4	64	65
St. Jean, D.	Eco. Dev. Consultant 4	72	71
Semegen, M.	Eco. Dev. Consultant 4	72	72

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2004

TREASURY BOARD
JUN 28 2004
SECRETARIAT

Manitoba

The Public Trustee

155 Carlton St Suite 500
Winnipeg MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to June 15, 2004. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

M Anne Bolton

M. Anne Bolton, Q.C.
Public Trustee

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba,
To the Public Trustee of Manitoba, and
To the Special Operating Agencies Financing Authority

We have audited the balance sheet of The Public Trustee of Manitoba, an Agency of the Special Operating Agencies Financing Authority - Province of Manitoba, as at March 31, 2004 and the statements of income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Public Trustee's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
June 15, 2004

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2004

ASSETS

	2004	2003
Current		
Cash	$ 20	$ 106
Accounts receivable, net (Note 3)	736	719
Prepaid expenses	4	5
Short-term investments with Minister of Finance	1,180	675
	1,940	1,505
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	139	103
	$ 2,594	$ 2,123

LIABILITIES

	2004	2003
Current		
Accounts payable and accruals (Note 6)	$ 655	$ 521
Severance pay benefits (Note 16)	435	434
	1,090	955

EQUITY

	2004	2003
Revenue stabilization reserve (Note 14)	500	500
Retained earnings	1,004	668
	1,504	1,168
	$ 2,594	$ 2,123

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS

(In Thousands)

YEAR ENDED MARCH 31, 2004

	2004	2003
Revenue		
Fees (Note 8)	$ 5,195	$ 4,562
Interest	27	19
Other	103	98
	5,325	4,679
Expenses		
Amortization of capital assets	39	32
Accommodation costs - Department of Government Services	279	232
Other administration expenses (Note 9)	775	760
Salaries and benefits	3,729	3,665
Employer pension costs	167	195
	4,989	4,884
Net Income (Loss)	336	(205)
Retained earnings, beginning of year	668	873
Retained earnings, end of year	$ 1,004	$ 668

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS

(In Thousands)

YEAR ENDED MARCH 31, 2004

	2004	2003
Cash derived from (applied to)		
Operating		
Net income (Loss)	$ 336	$ (205)
Items not involving cash		
Amortization of capital assets	39	32
	375	(173)
Change in		
Receivables	(17)	(36)
Prepaid expenses	1	(1)
Payables	134	44
	493	(166)
Investing		
Acquisition of capital assets	(75)	(34)
Financing		
Severance pay benefits	1	20
Net increase (decrease) in cash	419	(180)
Cash and cash equivalents		
Beginning of year	781	961
End of year	$ 1,200	$ 781
Cash and cash equivalents consist of:		
Cash	$ 20	$ 106
Short-term investments	1,180	675
	$ 1,200	$ 781

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2004

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances the Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between the Financing Authority and the Minister of Justice assigns responsibility to the Public Trustee to manage and account for Public Trustee related assets and operations on behalf of the Financing Authority.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity the Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2004

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of The Public Trustee Act. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually as follows:

Furnishings and equipment - 20%, diminishing balance basis

Computer hardware and software - 20%, straight-line basis, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition

Leasehold improvements - 20%, straight-line basis

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS

(In Thousands)

MARCH 31, 2004

3. Accounts receivable

	2004	2003
Fees receivable	$ 751	$ 739
Allowance for doubtful accounts	(32)	(32)
	719	707
Interest receivable	3	1
Advances to client accounts	8	5
Cost recoveries	6	6
	$ 736	$ 719

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for the Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Public Trustee.

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2004	2003
Furnishings & equipment	$ 251	$ 116	$ 135	$ 94
Computer hardware & software	70	66	4	6
Leasehold improvements	45	45	0	3
	$ 366	$ 227	$ 139	$ 103

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2004

6. Accounts payable and accruals

	2004	2003
Operating expenses payable	$ 136	$ 44
Salaries & benefits payable	152	113
Vacation entitlements accrual	335	327
GST payable to Revenue Canada	32	37
	$ 655	$ 521

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2004.

8. Fees revenue

	2004	2003
Administration	$ 4,469	$ 3,898
Legal	248	256
Income tax	251	247
Inspection	227	161
	$ 5,195	$ 4,562

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2004

9. Other Administration expenses

	2004	2003
Computer expenses	$ 433	$ 398
Courier charges	5	5
Desktop costs	1	2
Insurance, loss, damage	16	29
Office supplies	39	45
Other	5	4
Personnel	16	18
Photocopy	16	16
Postage	52	45
Professional fees	30	29
Publications	5	4
Public communications	7	4
Records Centre Charges	17	9
Rentals, equipment	2	2
Repairs & maintenance	8	10
SAP costs	7	7
Support services - Department of Justice	22	22
Telephone	50	62
Travel	44	49
	$ 775	$ 760

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. The Agency operates under an agreement for desktop computing. It is estimated that desktop computing costs will be $207 annually to 2004/2005.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business.

PUBLIC TRUSTEE OF MANITOBA

(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2004

12. Escheats to the Crown

Escheats to the Crown, received by the Public Trustee during the year and remitted to the Minister of Finance, amounted to $ 51 (2003 - $49). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2004 total approximately $172,000 (2003 - $168,000). The trust activities of the Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Public Sector Compensation Disclosure Act

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2004, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C,	Senior Legal Officer	$ 107
Bakema, Harry	Estates Officer 4	52
Darrach, Bruce	Information Technologist 3	64
Drever, Bruce	Legal Counsel 3	101
Fergusson, John	Legal Counsel 2	98
Jachetta, Peter	Legal Counsel 3	104
Knowlton, Joanna	Legal Counsel 3	101
Kozusko, Norman	Information Technologist 4	71
Sallans, David	Management Analyst 3	67
Shaprio, Laurie	Estates Officer 4	53

16. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

An actuarial valuation report of the Agency's severance was completed as at March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability at March 31, 2004 has been calculated to be $ 435 (2003 - $ 434).

OFFICE OF THE FIRE COMMISSIONER

FINANCIAL STATEMENTS

MARCH 31, 2004

OFFICE *of the* FIRE COMMISSIONER

Management's Report

For the year ended March 31, 2004:

The accompanying financial statements of the Office of the Fire Commissioner are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In the management's opinion, the financial statements have been properly prepared within the reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to May 20, 2004.

Management maintains internal controls to provide reasonable assurance of the reliability and accuracy of the financial information and that the assets of the Office of the Fire Commissioner are properly safeguarded.

The responsibility of the auditor is to express an opinion of whether the financial statements of the Office of the Fire Commissioner are fairly presented in accordance with Canadian generally accepted accounting principles. The auditor's report outlines the scope of the audit examination and provides the audit opinion.

On behalf of management,

Douglas Popowich
Fire Commissioner

Brian A. Hodge, CGA
Comptroller

508 Norquay Building • 401 York Avenue • Winnipeg, Manitoba • Canada • R3C 0P8
Telephone: (204) 945-3328 • Fax: (204) 948-2089 • Website: www.gov.mb.ca/fire/mesc.html

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of the **Office of the Fire Commissioner** as at March 31, 2004 and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 20, 2004

TREASURY BOARD
JUN 29 2004
SECRETARIAT

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Balance Sheet

March 31	2004	2003
	(000's)	
Assets		
Current Assets		
Cash	$ 3,740	$ 2,916
Short-term investments (Note 3)	2,897	1,886
Accounts receivable (Note 4)	540	1,585
Accrued interest	9	11
Inventory	13	17
Prepaid expenses	55	26
	7,254	6,441
Non-Current Assets		
Due from Province of Manitoba - Severance (Note 7)	311	311
Due from Province of Manitoba - Vacation Pay (Note 14)	248	248
Capital assets (Note 6)	5,616	5,616
	6,175	6,175
	$ 13,429	$ 12,616
Liabilities and Equity		
Current Liabilities		
Accounts Payable	$ 459	$ 410
Accrued Liabilities	624	464
Deferred Revenue	718	564
	1,801	1,438
Severance (Note 7)	365	362
	2,166	1,800
Equity		
Retained Earnings	11,263	10,816
	$ 13,429	$ 12,616

Approved on behalf of the Special Operating Agency Advisory Board:

Chairperson

Fire Commissioner

The accompanying notes are an integral part of these financial statements.

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Operations and Retained Earnings

For the year ended March 31

(000's)

	2004 Actual	2003 Actual	Variance	Budget	Budget Variance
Revenue					
Levy	$ 4,551	$ 3,996	$ 555	$ 3,828	$ 723
Permits, Plan Review & Per Capita	1,037	1,106	(69)	804	233
Tuition & Contract Revenue	1,221	1,365	(144)	1,186	35
New SAR Initiative (NIF) Grant (Note 9)	33	120	(87)	-	33
JEPP Initiative Grant (Note 10)	135	528	(393)	-	135
HUSAR Initiative Grant (Note 11)	196	-	196	-	196
Interest	94	81	13	77	17
Inspections	3	9	(6)	15	(12)
Emergency Services Conference	96	106	(10)	92	4
Book Sales	1	9	(8)	2	(1)
Rent	1	1	-	2	(1)
Water Bomber Recovery	78	188	(110)	102	(24)
Other Revenue	63	76	(13)	40	23
Total Revenue	7,509	7,585	(76)	6,148	1,361
Expenses					
Salaries and Benefits	3,453	3,063	390	3,786	(333)
Amortization	479	409	70	458	21
Vehicle Lease	331	324	7	362	(31)
Travel	287	301	(14)	332	(45)
Repairs and Maintenance	296	290	6	334	(38)
Communications	145	173	(28)	175	(30)
Mutual Aid	82	99	(17)	128	(46)
Rent	195	175	20	175	20
Desktop Management	215	232	(17)	247	(32)
Medical Computer Lab	27	25	2	26	1
Property Taxes	110	108	2	113	(3)
Labour Services	81	81	-	83	(2)
Supplies	277	181	96	243	34
Public Education Material	67	77	(10)	66	1
Marketing	11	12	(1)	36	(25)
Utilities	71	79	(8)	70	1
Insurance	65	81	(16)	92	(27)
Professional services	235	241	(6)	298	(63)
Postal & Courier	37	40	(3)	46	(9)
Professional Development	9	16	(7)	26	(17)
Land Lease	10	10	-	11	(1)
Publications	20	32	(12)	30	(10)
Buildings Standards Board	-	3	(3)	3	(3)
S.O.A. Board	1	1	-	2	(1)
Search and Rescue	13	20	(7)	100	(87)
New SAR Initiative (NIF) Expenditures (Note 9)	66	144	(78)	-	66
JEPP Initiative Expenditures (Note 10)	80	460	(380)	-	80
JEPP Initiative Amortization (Note 10)	55	68	(13)	-	55
HUSAR Initiative Expenditures (Note 11)	155	-	155	-	155
HUSAR Initiative Amortization (Note 11)	41	-	41	-	41
Water Bombing	78	188	(110)	102	(24)
Other	70	112	(42)	75	(5)
	7,062	7,045	17	7,419	(357)
Net income (loss) for the year	447	540	(93)	(1,271)	1,718
Retained earnings, beginning of year	10,816	10,276			
	$ 11,263	$ 10,816			

The accompanying notes are an integral part of these financial statements

OFFICE OF THE FIRE COMMISSIONER - An Agency Of The Special Operating Agencies Financing Authority
Statement of Cash Flows

For the year ended March 31	2004	2003
	(000's)	
Cash Flows from Operating Activities		
Net income for the year	$ 447	$ 540
Items not involving cash		
Amortization of capital assets	575	477
Gain on disposal of assets	(5)	-
	1,017	1,017
Net change in non-cash working capital balances	1,388	(407)
	2,405	610
Cash Flows from Investing Activities		
Purchase of capital assets	(578)	(539)
Proceeds on capital asset sales	8	-
	(570)	(539)
Increase (decrease) in cash and cash equivalents during the year	1,835	71
Cash and cash equivalents, beginning of year	4,802	4,731
Cash and cash equivalents, end of year	$ 6,637	$ 4,802
Represented by:		
Cash and bank	$ 3,740	$ 2,916
Short-term investments	2,897	1,886
	$ 6,637	$ 4,802

The accompanying notes are an integral part of these financial statements.

1. NATURE OF THE OFFICE OF THE FIRE COMMISSIONER

Effective April 1, 1996, the Office of the Fire Commissioner was designated as a Special Operating Agency (SOA) under The Special Operating Agencies Financing Authority Act, Cap. S185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

Effective April 1, 1996, a Transfer Agreement executed between the Government of Manitoba (Labour) and the Financing Authority, a corporation under The Special Operating Agencies Financing Authority (SOAFA) Act, transferred all assets in the Fires Prevention Fund valued at $11,809 to the Financing Authority.

A Management Agreement executed between the Financing Authority and the Government of Manitoba (Labour) assigned responsibility to the Office of the Fire Commissioner to manage and account for the related assets and operations on behalf of the Financing Authority. The Office itself does not hold title to any assets. Effective April 1, 1996, the Financing Authority established a fund account referred to as the Fires Prevention Fund to hold these assets.

The Office of the Fire Commissioner will continue to be part of the Department of Labour and Immigration and ultimately under the policy direction of the Minister of Labour and Immigration.

The Office of the Fire Commissioner will remain bound by relevant legislation and regulations. It will also remain bound by administrative policy except where specific exemptions have been provided for in its charter in order to meet business objectives.

The Office of the Fire Commissioner is economically dependent on the Province of Manitoba, as it derives most of its revenues from the Fires Prevention Levy.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are presented in accordance with Canadian generally accepted accounting principles.

b) Financial Instruments

The Agency's financial instruments consist of cash, accounts receivable, investments and accounts payable. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Accounting estimates and assumptions

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

d) Inventory

Inventory is valued at cost.

e) Capital assets

Buildings, fire engines, other vehicles and air compressors transferred to the SOAFA from the Government of Manitoba on April 1, 1996 were valued at the lower of their amortized cost or estimated market value. All other assets transferred from the Government of Manitoba on April 1, 1996 were valued at their market value.

The Office provides for amortization of its capital assets on the following basis:

Buildings	40 years straight line
Practical training site	20 years straight line
Equipment	20% declining balance
Equipment – JEPP	20% declining balance
Equipment – HUSAR	20% declining balance
Fire engines	30% declining balance
Other vehicles	30% declining balance
Other vehicles - HUSAR	30% declining balance
Air compressors	20% declining balance
Furniture	20% declining balance
Computer equipment and software	5 years straight line
Computer equipment – JEPP	5 years straight line
Computer equipment – HUSAR	5 years straight line

The half-rate rule is applied to computer equipment and software additions during the year.

f) Revenue recognition

The Fires Prevention Act imposes a special assessment on licensed insurers equal to a set percentage of total property insurance premiums.

The Office of the Fire Commissioner collects this levy based on the value of premiums and assessments in respect to property insurance in a calendar year. Levy revenue with respect to the 2003 calendar year will be recognized as revenue in the fiscal year ending March 31, 2004. The levy rate is set at 1.25%.

All other revenue is recognized when earned.

3. INVESTMENTS

The Investment Balance represents funds on deposit with the Department of Finance of the Province of Manitoba with maturities of less than one (1) year. Investments on deposit with maturities greater than one (1) year are classified as long term.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is made up of the following:

	2004	2003
Insurance Branch of Department of Consumer & Corporate Affairs	$ 158	$ 797
Office of Critical Infrastructure Protection and Emergency Preparedness (HUSAR Initiative)	228	554
National Search and Rescue Secretariat (NIF Initiative)	-	10
Other	154	224
	$ 540	$ 1,585

5. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been restated to conform to the current year's presentation.

6. CAPITAL ASSETS

	Opening Balance	Additions	Disposals	Closing Balance
Buildings	$ 4,047	$ -	$ -	$ 4,047
Training site	1,935	-	-	1,935
Equipment	1,177	32	-	1,209
Equipment – JEPP	336	-	-	336
Equipment – HUSAR	-	139	-	139
Fire engines	459	296	-	755
Other vehicles	204	5	16	193
Other vehicles – HUSAR	-	40	-	40
Air compressors	199	41	1	239
Furniture	70	-	-	70
Computers	134	19	-	153
Computers – JEPP	7	-	-	7
Computers – HUSAR	-	6	-	6
	$ 8,568	$ 578	$ 17	$ 9,129

	Opening Accumulated Amortization	Disposition	Current Year's Amortization	Accumulated Amortization
Buildings	$ 829	$ -	$ 120	$ 949
Training site	475	-	97	572
Equipment	727	-	95	822
Equipment – JEPP	67	-	54	121
Equipment – HUSAR	-	-	28	28
Fire engines	381	-	112	493
Other vehicles	184	(14)	7	177
Other vehicles – HUSAR	-	-	12	12
Air compressors	138	-	23	161
Furniture	54	-	3	57
Computers	96	-	22	118
Computers – JEPP	1	-	1	2
Computers – HUSAR	-	-	1	1
Total amortization	$ 2,952	$ (14)	$ 575	$ 3,513
Net capital assets	$ 5,616			$ 5,616

7. SEVERANCE LIABILITY

Effective April 1, 1998, The Office of the Fire Commissioner began recording accumulated severance pay benefits for its employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by The Office of the Fire Commissioner's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $282 was completely offset by a receivable from the Province. The receivable from the Province, or portion thereof, for the Office of the Fire Commissioner will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2000 was completed. The liability as at March 31, 2000 was restated to $340 and the receivable from the Province was restated to $311 as a result of the actuarial valuation. There was no effect on the severance benefit expense for the year ended March 31, 2000. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $365 as at March 31, 2004.

8. CONTRIBUTED CAPITAL

In consideration of the transfer of said assets effective April 1, 1996, the SOAFA shall:

a) not incur or repay to the Government of Manitoba any debt relative to the assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance; and

b) record the balance of $11,038 (being the balance of the net assets as described in the balance sheet prepared as of March 31, 1996 and verified by the Department of Finance) as Manitoba's equity in the Financing Authority as related to the Agency's operations.

Due to a change in accounting policy, buildings are being amortized over 40 years as opposed to 30 years. This has resulted in a revaluation of buildings as at April 1, 1996. The value of buildings and contributed equity has increased $241 as at April 1, 1996 to $11,279.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF)

The Office of the Fire Commissioner has applied for and received a grant from the National Search and Rescue Secretariat of the Department of National Defence. The purpose of this grant is to enhance Manitoba search and rescue capabilities by developing the volunteer search and rescue system aimed at northern and remote areas of Manitoba.

The Office was approved to receive a grant of up to $188 over a two year period, with an amount of $120 received in 2002/03 and the remaining $68 to be received in 2003/04. The Office provided services in kind of $63 over the same period, with an amount of $30 provided in 2002/03 and the remaining $33 in 2003/04.

9. NEW SEARCH AND RESCUE (SAR) INITIATIVE (NIF) (continued)

The New SAR Initiative (NIF) Grant line item reflects the actual grant received in Fiscal 2004 of $33. The New SAR Initiative (NIF) Expenditures line item reflects the following:

Operating expenditures	$ 33
Office of the Fire Commissioner service-in-kind portion	33
Total	$ 66

An additional $3 of the grant was utilized to purchase a capital asset for this initiative in Fiscal 2003. This amount is reflected on the balance sheet Capital Asset line item and will be amortized based on the declining balance method at a rate of 20% for equipment.

10. JOINT EMERGENCY PREPAREDNESS PROGRAM (JEPP) GRANT

The Office of the Fire Commissioner has applied for and received a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to hazardous material emergency responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

In Fiscal 2003/04, the Office applied for and received an amount of $78 from the Province of Manitoba. An additional amount of $56 was taken into revenue from the deferred revenue account for the amortization of the JEPP assets in 2003/04, as well as $1 of deferred revenue which was used for operating expenditures in 2003/04. This resulted in total JEPP revenue for the year of $135.

The JEPP Initiative Expenditure line item is comprised of the following:

Salary costs	$ 74
Operating expenditures	6
Total	$ 80

In Fiscal 2002/03, $342 was utilized to purchase capital assets for this initiative. An amount of $336 is reflected on the balance sheet Capital Asset line item and will be amortized based on the declining balance method at a rate of 20% for equipment. An additional amount of $7 is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the JEPP capital assets.

11. HEAVY URBAN SEARCH AND RESCUE INITIATIVE

The Office of the Fire Commissioner has applied for and will receive a grant from the Office of Critical Infrastructure Protection and Emergency Preparedness. The purpose of this grant is to enhance the Province of Manitoba's ability to respond to heavy urban search and rescue responses through the provision of equipment and training. The Province of Manitoba also is providing funding to the Office for this initiative.

The Office has applied for and will receive an amount of $228 from the Office of Critical Infrastructure Protection and Emergency Preparedness. The Office has also applied for and has received an amount of $113 from the Province of Manitoba, for a total grant revenue of $341. $145 of this total grant revenue has been allocated to deferred revenue.

The HUSAR Initiative Expenditure line item is comprised of the following:

Non-capital equipment purchases	$	90
Training costs		18
Salary costs		36
Operating expenditures		11
Total	$	155

An additional $185 was utilized to purchase capital assets for this initiative. An amount of $139 is reflected on the balance sheet Capital Asset line item for equipment purchases and will be amortized based on the declining balance method at a rate of 20% for equipment. An amount of $40 is reflected on the balance sheet Capital Asset line item for other vehicle purchases and will be amortized based on the declining balance method at a rate of 30% for other vehicles. An additional amount of $6 for computer purchases is reflected on the balance sheet Capital Asset line item and will be amortized based on the five-year straight-line method for computer equipment. The deferred revenue related to these capital asset purchases will be recognized in the same fiscal year and in the same amount as the amortization expense on the HUSAR capital assets.

12. COMMITMENTS AND CONTINGENCIES

The Office of the Fire Commissioner as tenant has entered into a Lease Agreement with the City of Brandon as Landlord for the land upon which the practical training facility has been constructed. The term of the lease is five (5) years commencing June 1, 2002 and expiring May 31, 2007, with three (3) five-year renewal options. Minimum annual rent is $10 due on equal monthly installments, plus all operating costs with respect to the subject land.

12. COMMITMENTS AND CONTINGENCIES (continued)

The Office of the Fire Commissioner has entered into 30 vehicle lease agreements and 4 equipment lease agreements which give rise to commitments as follows:

	March 31
2005	$ 193
2006	108
2007	63
2008	62
2009	33
	$ 459

At the end of each vehicle lease, the Agency is obligated to pay any shortfall between the net proceeds on vehicle disposition and the agreed residual value.

13. PUBLIC SECTOR COMPENSATION

Pursuant to disclosure required by The Public Sector Compensation Disclosure Act, no remuneration was paid to the Advisory Board members. During the fiscal year ended March 31, 2004, the following employees received compensation of wages and taxable benefits of $50 or more:

Name	Position	2004	2003
R. Vandekerkhove	Investigator	$ 89	$ 86
A. J. Campbell	Manager, Codes and Standards	88	65
D. Popowich	Fire Commissioner	85	83
K. Swan	Investigator	84	64
B. Hodge	Comptroller	75	68
D. B. Monkman	Investigator	75	66
D. Schafer	Manager, Operations	71	64
C. Hogarth	Investigator	70	68
G. Favelle	Manager, Critical Incident Stress Management	70	68
C. Jones	Deputy Fire Commissioner	68	-
W. Harrow	Investigator	63	58
N. Anderson	Manager, Codes and Standards	63	-
M. Bedford	Emergency Services Officer	62	68
R. Bridges	Emergency Services Officer	59	-
M. Lamb	Fire and Life Safety Educator	59	-
R. Gillis	Emergency Services Officer	59	65
R. Denslow	Emergency Services Officer	59	66
R. Pike	Coordinator, Public Fire Paramedic Program	58	54
M. Kerbis	Emergency Services Officer/Instructor	57	52

13. PUBLIC SECTOR COMPENSATION (continued)

Name	Position	2004	2003
R. Harvey	Coordinator, Rescue Programs	$ 57	$ 60
D. R. Beacham	Special Projects Officer	56	54
L. Treloar	Technical Services Officer	56	56
K. Carmichael	Emergency Services Officer	56	52
B. J. Metruk	Emergency Services Officer/Instructor	55	54
B. D. Popko	Manager, Manitoba Emergency Services College	55	55
K. D. Hykawy	Technical Services Officer	55	53
T. Jennings	Technical Services Officer	55	57
S. Wolf	Technical Services Officer	55	57
J. P. Lebel	Manager, Special Projects	55	53
A. Gray	Emergency Services Officer	54	58
T. Grimshaw	Technical Services Officer	54	52
E. Moore	Coordinator, Fire Prevention and Protection	54	53
B. E. Hollier	Manager, Administration and Support Services	54	53
D. Singleton	Emergency Services Officer/Instructor	53	-
K. Lanceley	Emergency Services Officer	52	-
P. MacIsaac	Coordinator, Emergency Medical Programs	51	-
J. Wedge	Technical Services Officer	51	-
B. Bryan	Coordinator, Emergency Medical Programs	-	56
M. Watt	Coordinator, Hazardous Materials Program	-	52
B. Holowachuk	Special Projects Officer	-	51

14. VACATION PAY RECEIVABLE

Effective March 31, 1995, the Office of the Fire Commissioner commenced recording the estimated liability for vacation pay for its employees. The amount of the estimated liability is determined on March 31 of each year based on eligible vacation entitlements.

The Province of Manitoba has accepted responsibility for the vacation pay benefits accumulated to March 31, 1995 by the Office of the Fire Commissioner's employees. Accordingly, the Office of the Fire Commissioner recorded, effective March 31, 1995, a receivable of $248 from the Province of Manitoba, which is an amount that is equal to the estimated liability for vacation pay benefits at March 31, 1995.

This receivable from the Province of Manitoba has no terms of repayment and, accordingly, the amount of this receivable will remain fixed at $248.

FOOD DEVELOPMENT CENTRE

Financial Statements
(In Thousands)

Year Ended March 31, 2004

APPENDIX I. AUDITED FINANCIAL STATEMENTS

Responsibility for Financial Reporting

The Agency is responsible for preparing the financial statements and other financial information in the Annual Report. This responsibility includes maintaining the integrity and objectivity of financial data and the presentation of the Agency's financial position and results of operations in accordance with generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgements. The Agency's financial statements have been audited by The Exchange, independent external auditors.

The Agency maintains a system of internal controls throughout its operation that provides reasonable assurance that transactions are authorized, properly recorded and reported, and those assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

PatScott

Pat Scott, CMA
General Manager

July 12, 2004

FOOD DEVELOPMENT CENTRE

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Year Ended March 31, 2004

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EXG

THE EXCHANGE

chartered accountants LLP

AUDITORS' REPORT

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of Food Development Centre , an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba as at March 31, 2004 and the statements of income and retained earnings and statement of cash flows for the year then ended. These financial statements are the responsibility of the Centre's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The Exchange

chartered accountants, LLP

Winnipeg, Manitoba
April 27, 2004

100-123 Bannatyne Ave., Winnipeg, Manitoba R3B 0R3
Telephone (204) 943-4584 Fax (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

FOOD DEVELOPMENT CENTRE

Balance Sheet

(In Thousands)

March 31, 2004

	2004	2003
ASSETS		
CURRENT		
Cash	$ 2	$ 2
Restricted cash for expansion *(Note 3)*	765	3,509
Accounts receivable *(Note 4)*	88	75
Prepaid expenses and deposits	169	81
	1,024	3,667
FIXED ASSETS *(Notes 2, 5)*	920	611
BUILDING IN PROGRESS	4,077	220
FUNDS HELD ON DEPOSIT *(Note 6)*	29	28
SEVERANCE RECEIVABLE FROM PROVINCE *(Notes 7, 16)*	41	41
	$ 6,091	$ 4,567
LIABILITIES		
CURRENT		
Working capital payable	$ 922	$ 594
Accounts payable and accrued liabilities *(Note 9)*	945	324
Accrued vacation pay *(Note 10)*	133	106
Unearned revenue	108	41
Current portion of long term debt *(Note 11)*	18	-
	2,126	1,065
LONG TERM DEBT *(Note 11)*	231	-
SEVERANCE LIABILITY *(Note 16)*	60	50
DEFERRED CONTRIBUTIONS *(Notes 2, 12)*	3,367	3,351
	5,784	4,466
RETAINED EARNINGS	307	101
	$ 6,091	$ 4,567

FOOD DEVELOPMENT CENTRE

Statement of Income and Retained Earnings

(In Thousands)

Year Ended March 31, 2004

	2004	2003
REVENUE		
Contract - Province of Manitoba	$ 1,789	$ 1,490
Contract - National Research Council	33	55
Fee for service	181	141
Consulting and training services	-	32
Lease income	14	8
Interest and other income	35	21
Amortization of Deferred Contributions	51	27
	2,103	1,774
DIRECT OPERATING EXPENSES		
Lab supplies	46	41
Purchases services	47	32
Travel	53	64
Salaries	1,006	946
Postage, courier and telephone	45	39
Printing and stationery	16	19
Marketing	90	66
Library	45	36
Satellite office	7	8
	1,355	1,251
GROSS PROFIT	748	523
ADMINISTRATION EXPENSES	536	437
INCOME FROM OPERATIONS	212	86
OTHER INCOME		
Loss on disposal of assets	(6)	(16)
Write down of other assets	-	(14)
	(6)	(30)
NET INCOME	206	56
RETAINED EARNINGS - BEGINNING OF YEAR	101	45
RETAINED EARNINGS - END OF YEAR	$ 307	$ 101

FOOD DEVELOPMENT CENTRE

Statement of Cash Flows

(In Thousands)

Year Ended March 31, 2004

	2004	2003
OPERATING ACTIVITIES		
Cash receipts from customers	$ 374	$ 362
Cash receipts from contracts	1,873	1,572
Cash paid to suppliers and employees	(1,303)	(1,409)
Interest received	-	6
Interest paid	(18)	(3)
Cash flow from operating activities	926	528
INVESTING ACTIVITIES		
Additions to fixed assets	(4,263)	(710)
Proceeds on disposal of fixed assets	-	3
Cash flow used by investing activities	(4,263)	(707)
FINANCING ACTIVITIES		
Deferred contributions	16	3,351
Proceeds from long term financing	249	-
Cash flow from financing activities	265	3,351
INCREASE (DECREASE) IN CASH FLOW	(3,072)	3,172
Cash (deficiency) - beginning of year	2,917	(255)
CASH (DEFICIENCY) - END OF YEAR	$ (155)	$ 2,917
CASH (DEFICIENCY) CONSISTS OF:		
Cash	$ 2	$ 2
Restricted cash for expansion	765	3,509
Working capital payable	(922)	(594)
	$ (155)	$ 2,917

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2004

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1. NATURE OF ORGANIZATION

Established in 1977, as part of the Manitoba Research Council, the Food Development Centre serves the agri-food industry by providing a wide range of services in the food, feed and beverage industries. Food Development Centre offers food product development research, testing services and assistance with technology transfer to enable industry to efficiently and economically produce high quality foods.

Effective April 1, 1996, the Food Development Centre was designated as a Special Operating Agency by regulation under The Special Operating Agencies Financing Authority Act made by the Lieutenant Governor in Council.

The Centre is financed through the Special Operating Agencies Financing Authority (SOAFA). The Financing Authority has the mandate to hold and acquire assets required for and resulting from Centre operations. It finances the Centre through repayable loans and working capital advances. The financial framework enables the Centre to operate in a business-like manner according to public policy expectations.

A Management Agreement with the Financing Authority assigns responsibility to the Centre to manage and account for the Centre related assets and operations on behalf of the Financing Authority.

The Food Development Centre is a part of the Department of Agriculture and Food under the general direction of a General Manager and Chief Executive Officer, and ultimately the policy direction of the Deputy Minister and Minister.

The Food Development Centre remains bound by relevant legislation and regulations.

The Food Development Centre is economically dependent upon the Province of Manitoba, as it derives a significant portion of its revenue from the Province.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within the reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Basis of Reporting

The financial statements of the Centre are presented in accordance with Canadian generally accepted accounting principles.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fixed Assets

Fixed assets assumed as part of the conversion to a Special Operating Agency, April 1, 1996 are stated at their estimated fair value as determined by the Province. Fixed assets are stated at cost less accumulated amortization. Fixed assets are amortized over their estimated useful lives at the following rates and methods:

Equipment and sign	20%	declining balance method
Computer hardware and software	20%	straight-line method

Other Assets

Research and development costs are expended as incurred.

Revenue Recognition

Fee for service revenue is recognized on percentage of completion basis.

All funds received and due from the Province of Manitoba at year end have been recognized as income in the current year except for the funds received for the construction of the new building. These amounts have been treated as deferred contributions and will be taken into income to match the amortization of the expansion.

3. RESTRICTED CASH FOR EXPANSION

In April of 2002 the Food Development Centre received approval for an $11 million expansion funded by the Federal and Provincial governments. During the current year, the expansion was revalued at $14 million. The redeveloped facility will provide space for Great Plains Aseptic Processors, a Manitoba company that will use Tetra Pak technology to operate a commercial liquid food processing and packaging facility.

The existing facility will be renovated to qualify for the Canadian Food Inspection Agency registration, which will allow clients to develop, process and package products on site for sale to interprovincial and international markets.

The expansion will be completed during the March 31, 2005 year-end. As at March 31, 2004 $765 (2003 - $3,509) is being held as restricted cash for expansion to be used for the completion of this project.

4. ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following amounts:

	2004	2003
Trade accounts receivable	$ 159	$ 145
Allowance for doubtful accounts	(71)	(70)
	$ 88	$ 75

5. FIXED ASSETS

	Cost	Accumulated amortization	2004 Net book value	2003 Net book value
Equipment and sign	$ 1,211	$ 327	$ 884	$ 553
Computer hardware and software	125	89	36	58
	$ 1,336	$ 416	$ 920	$ 611

Included in fixed assets is equipment with a net book value of $1 (2003- $1), which is being leased to clients of the Food Development Centre.

6. FUNDS HELD ON DEPOSIT

Effective April 1, 2000, the assets and liabilities of the analytical services division were sold to Norwest Soil Research Ltd. The Centre has received a $25 deposit from Norwest Soil Research Ltd. as part of the sales agreement. Under the agreement, Norwest must maintain certain levels of revenue from work performed in the Province of Manitoba for the cumulative period of five years from the effective date of the agreement. If they fail to meet these conditions, the deposit and accrued interest are forfeited to the Food Development Centre.

For the year ended March 31, 2002 there was a shortfall of $17 in sales. At the present time there has not been any amount set up as a receivable or any reduction in the deposit. The surplus or shortfall for the years ended March 31, 2003 and 2004 have not yet been determined.

7. SEVERANCE RECEIVABLE FROM PROVINCE

The receivable from the Province of Manitoba is for severance pay benefits earned by the employees of Food Development Centre to March 31, 1998. The receivable, or portion thereof, will be collected in the event that there is a cash shortfall. However, this in only likely to happen on the dissolution of the Food Development Centre.

FOOD DEVELOPMENT CENTRE

Notes to Financial Statements

(In Thousands)

Year Ended March 31, 2004

8. WORKING CAPITAL PAYABLE

The Centre has an authorized line of working capital of $1,000 of which $922 was used as at March 31, 2004 (2003 - $594 was used).

9. ACCOUNTS PAYABLE

	2004	2003
Trade	$ 36	$ 76
Payroll	33	21
Audit	4	6
Interest	14	-
Building	795	-
Sales tax	11	22
Miscellaneous	52	199
	$ 945	$ 324

10. ACCRUED VACATION PAY

The employees of the Food Development Centre are entitled to vacation pay in the current year, based on the prior year's employment. A provision for this liability has been recorded in the financial statements.

11. LONG TERM DEBT

	2004	2003
Province of Manitoba loan bearing interest at 5.80 % per annum, with annual payments of $18 plus interest. The loan matures on April 30, 2017.	$ 249	$ -
Amounts payable within one year	(18)	-
	$ 231	$ -

Principal repayment terms are approximately:

2005	$ 18
2006	18
2007	18
2008	18
2009	18
Thereafter	159
	$ 249

12. DEFERRED CONTRIBUTIONS

	2004	2003
Balance, beginning of year	$ 3,351	$ -
Add: Contributions received during the year	-	3,279
Add: Interest received during the year	67	100
Less: Amount recognized as revenue	(51)	(28)
Balance, end of year	$ 3,367	$ 3,351

Deferred contributions relate to fixed assets and represent the unamortized amount of contributions received for the purchase of fixed assets. The amortization of contributions is recorded as revenue in the statement of income and retained earnings.

13. DEFICIENCY IN ASSETS

The Special Operating Agencies Financing Authority and the Manitoba Provincial Government entered into a Transfer Agreement respecting the transfer, from the Provincial Government to the Financing Authority, of the net assets required for the continuing operations of the Food Development Centre. As at April 1, 1996, the date of transfer, the liabilities assumed exceeded the value of the assets in the amount of $35. This amount was recorded as the deficit at April 1, 1996.

14. PUBLIC SECTOR COMPENSATION DISCLOSURE

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of individual compensation exceeding $50 annually to any officer or employee of the Province of Manitoba. The following employees received compensation in excess of $50:

	2004	2003
Utioh, Alphonsus - Manager Product and Process Development	$ **84**	$ 79
Scott, Pat - Controller/General Manager	**88**	83
Lowe, Linda - Librarian	**51**	-
Qi, Jiacheng - Process Development Consultant	**54**	-
Schmulgen, Markus - Business Development Co ordinator	**66**	57

15. COMMITMENT

The Food Development Centre is obligated to make payments to Workers Compensation for an employee currently on disability. The total financial impact on the Centre is not determinable since the length of time the payments will be required is unknown.

The Centre has not entered into a lease agreement with the Province of Manitoba for its premises.

16. SEVERANCE LIABILITY

Effective April 1, 1998, the Centre is recording accumulated severance pay benefits for its employees. Severance pay is determined by multiplying years of service, to a maximum of fifteen years, by the weekly salary at date of retirement, provided the employee reaches nine years of service and retires from the Centre. The estimate is based upon the method of calculation set by the Province of Manitoba.

The Province has accepted responsibility for the severance benefits accumulated by the Centre's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998 of $83 was completely offset by a receivable from the Province. An adjustment was made in 2001 to reduce the receivable from the Province to $41. There are no terms of repayment for this receivable, and the amount will remain fixed at $41.

17. FINANCIAL INSTRUMENTS

The Centre's financial instruments consist of cash, accounts receivable, investment, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

18. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

FOOD DEVELOPMENT CENTRE

Administration Expenses

(In Thousands)

Year Ended March 31, 2004

	2004	2003
Accreditation and licensing fees	$ 1	$ 3
Advisory committee fees	1	-
Amortization	97	89
Bad debts	8	9
Computer expenses	76	34
Equipment operating costs	28	18
Insurance	35	27
Interest	18	2
Memberships	7	6
Miscellaneous	1	-
Occupancy expenses	206	205
Professional fees	22	13
Repairs and maintenance	18	26
Research and development	2	-
Training	16	5
	$ 536	$ 437

The Property Registry
An Agency of the Special Operating Agencies Financing Authority
Province of Manitoba
Financial Statements

(In Thousands)

March 31, 2004

Grant Thornton

The Property Registry
Office d'enregistrement des titres et des instruments
Manitoba Consumer and Corporate Affairs · Manitoba Consommation et Corporations

June 28, 2004

Management's Report

To the Special Operating Agencies Financing Authority

The accompanying financial statements and the information in the Annual Report are the responsibility of the management of The Property Registry. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based on management's best estimates and judgements.

In support of its responsibility, management has developed and maintains a system of internal controls designed to provide reasonable assurance that transactions are authorized, financial reporting is reliable, and that assets are safeguarded.

The Advisory Board meets regularly with management to review accounting practices, financial reporting and to discuss audit results. The auditors have free and full access to this Board, if required, to discuss the results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

The financial statements have been audited by our external auditors, Grant Thornton, who report to the Special Operating Agencies Financing Authority.

On behalf of Management,

Richard M. Wilson, B.A., LL.B.
Registrar General and
Chief Operating Officer

E. Brian Strong, CMA
Director,
Finance and Systems

TREASURY BOARD
JUN 30 2004
SECRETARIAT

1405 - 405 Broadway · bureau 1405 · Winnipeg · Manitoba · R3C 3L6
Telephone / Téléphone : (204) 945-3803 · Fax / Télécopieur : (204) 948-32

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Grant Thornton

Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Special Operating Agencies Financing Authority

We have audited the balance sheet of **The Property Registry, an Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2004 and the statements of earnings and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Winnipeg, Canada
June 7, 2004

Grant Thornton LLP
Chartered Accountants

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Balance Sheet

(In Thousands)

March 31	2004	2003
Assets		
Current		
Cash and short-term investments	$ 8,312	$ 6,967
Customer deposits	1,152	1,161
Accounts receivable (Note [illegible])	229	103
Prepaid expenses	70	54
	9,763	8,285
Due from Province of Manitoba (Note 4)	1,602	1,622
Capital assets, net of accumulated amortization (Notes 2 and 5)	496	346
	$ 11,861	$ 10,253
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 1,107	$ 990
Deferred revenue	1,155	1,163
Land titles assurance fund (Note 6)	43	34
Severance payable (Note 7)	301	316
Current portion of capital lease obligations (Note 8)	20	18
	2,626	2,521
Long-term severance payable (Note 7)	904	948
Capital lease obligations (Note 8)	6	25
	3,536	3,494
Equity		
Retained earnings	8,325	6,759
	$ 11,861	$ 10,253

Commitments (Note 8)

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statements of Earnings and Retained Earnings

(In Thousands)

Year Ended March 31	2004	2003
Revenues		
Land transfer tax (Note 9)	$ 18,310	$ 15,374
Fee revenue - Land Titles	11,213	9,884
Fee revenue - Personal Property Registry	5,474	5,862
Cost recoveries and fee waiver (Note 2)	688	589
Interest income	186	118
	35,871	31,827
Less: Tax revenues transferred to Province	(18,310)	(15,374)
	17,561	16,453
Expenses		
Salaries and employee benefits	7,918	7,427
Operating expenses (Schedule 1)	4,133	3,411
Contributed services	281	125
Amortization	163	168
	12,495	11,131
Net earnings	$ 5,066	$ 5,322

	2004	2003
Retained earnings, beginning of year	$ 6,759	$ 3,933
Net earnings	5,066	5,322
Net earnings paid to the Province of Manitoba	(3,500)	(2,496)
Retained earnings, end of year	$ 8,325	$ 6,759

See accompanying notes to the financial statements.

The Property Registry
An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba
Statement of Cash Flows

(In Thousands)

Year Ended March 31	2004	2003
Increase (decrease) in cash and cash equivalents		
Cash flows from (used in) operating activities		
Net earnings	$ 5,066	$ 5,322
Amortization	163	168
	5,229	5,490
Changes in non-cash operating working capital		
Customer deposits	9	
Accounts receivable	(126)	88
Prepaid expenses	(16)	2
Due from Province of Manitoba	20	5
Accounts payable and accrued liabilities	117	(998)
Deferred revenue	(8)	(89)
Land titles assurance fund deposits	9	1
Severance payable – current portion	(15)	60
Severance payable – long term portion	(44)	(14)
	5,175	4,545
Cash flows from (used in) investing activities		
Purchase of capital assets	(313)	(119)
Cash flows from (used in) financing activities		
Obligations under capital lease	(17)	(16)
Net earnings paid to the Province of Manitoba	(3,500)	(2,496)
	(3,517)	(2,512)
Net increase in cash and cash equivalents	1,345	1,914
Cash and cash equivalents		
Beginning of year	6,967	5,053
End of year	$ 8,312	$ 6,967

See accompanying notes to the financial statements.

1. Nature of organization

Effective April 1, 1997, the Lieutenant Governor in Council designated The Property Registry as a Special Operating Agency under The Special Operating Agencies Financing Authority Act. The order also directed the Special Operating Agencies Financing Authority (SOAFA) and the Minister of Consumer and Corporate Affairs to enter into a management agreement with respect to The Property Registry. The Property Registry was established to operate the Land Titles and Personal Property Registry offices on a self-sustaining financial basis while providing a standard of service that will meet the needs of its clients.

The Property Registry is part of the Department of Finance under the general direction of the Assistant Deputy Minister for Consumer and Corporate Affairs, who is also Chairperson of The Property Registry's Advisory Board. The Property Registry remains bound by relevant legislation, regulation and administrative policy as specified in its operating charter.

The Property Registry's financial contribution to the Province of Manitoba is included in the Manitoba Estimates of Revenue and Expenditure - Special Operating Agencies.

2. Summary of significant accounting policies

Basis of reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applied on an accrual basis.

Capital assets

Capital assets are recorded at cost and amortization is computed using the straight-line method based on remaining estimated useful lives, after allowance for salvage value, where applicable. Capital assets transferred to The Property Registry at April 1, 1997 each have estimated remaining useful lives of up to five years and were valued at their remaining unamortized capital cost at that date, which represents the acquisition cost for The Property Registry. Therefore, the effective rate of amortization for those older capital assets may exceed the annual rates noted below:

Computer system	20% (10% in year of acquisition)
Office equipment	20%
Leasehold improvements	10%
Equipment under capital lease	20% (10% in year of acquisition)

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Cost recoveries and fee waiver

Included in revenues are recoveries of costs or fee equivalent for services provided to other provincial government offices where no statutory provision precludes cost recovery.

Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Agency's financial instruments consist of cash and short-term investments, customer deposits, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, deferred revenue, land titles assurance fund, severance payable and capital lease obligations. Unless otherwise noted, it is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

The following items are included in accounts receivable:

	2004	2003
Trade receivable	$ 187	$ 87
Receivable from government and departments	42	16
	$ 229	$ 103

4. Due from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of certain agencies prior to their designation as Special Operating Agencies (SOAs). It also includes severance pay benefits earned by SOA employees to March 31, 1998. The balance is comprised of:

	2004	2003
Vacation entitlements	**$ 526**	$ 546
Severance pay benefits	**1,076**	1,076
	$ 1,602	$ 1,622

The timing of the collection of these receivables will vary for each SOA. The receivable, or portion thereof, for an individual SOA will be collected in the event that there is a cash shortfall. However, this is only likely to happen on the dissolution of an SOA.

5. Capital assets

	Cost	Accumulated Amortization	**2004 Net Book Value**	2003 Net Book Value
Computer system	$ 281	$ 162	**$ 119**	$ 131
Office equipment	498	378	**120**	122
Leasehold improvements	397	175	**222**	44
Equipment under capital lease	70	35	**35**	49
	$ 1,246	$ 750	**$ 496**	$ 346

6. Land titles assurance fund

Claims for loss as provided for in The Real Property Act are paid from this fund. The Agency's Land Titles Branch is responsible for the collection of deposits and the defence against claims on this fund. Claims in excess of the fund balance are paid out of the Consolidated Revenue Fund.

7. Severance payable

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for it's employees. The estimate of the liability was based on the method of calculation set by the Province.

The Province has accepted responsibility for the severance benefits accumulated by the Agency's employees to March 31, 1998. Accordingly, the opening severance pay liability balance as at April 1, 1998, calculated at $1,041 was completely offset by a receivable from the Province. There are no fixed terms for payment.

The receivable from the Province will only be collected, in whole or in part, in the event there is a cash short fall in the Agency. This is only likely to happen on the dissolution of the Agency.

An actuarial valuation report of the Agency's severance as at March 31, 2000, was completed in 2001. The liability as at March 31, 2000, was restated to $1,116 and the receivable from the Province was restated to $1,076 as a result of the actuarial valuation. The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Agency's actuarial liability has been calculated to be $1,205 as at March 31, 2004.

8. Commitments

The Agency has entered into a Memorandum of Understanding with Manitoba Government Services (MGS) to lease its premises. The accommodation charges are established annually by MGS, and are based on its approved budget.

The Agency has also entered into agreements to lease equipment. These agreements carry various terms and conditions.

The estimated minimum lease payments for the premises and equipment in aggregate for each of the next five years are as follows:

	Capital Lease	Premises	Equipment	Total
2005	21	$ 854	$ 72	$ 947
2006	6	874	74	954
2007		894	76	970
2008		915	78	993
2009		960	80	1040
Total minimum lease payments	27	$ 4,497	$ 380	$ 4,904
Less: Imputed interest	(1)			
Balance of obligations under capital leases	26			
Less: Current portion	(20)			
	$ 6			

9. Land transfer tax

Land transfer tax is administered and collected by The Property Registry. Tax collected less refunds issued is remitted to the Consolidated Revenue Fund of the Province of Manitoba. Adjustments and refunds of land transfer tax are paid out of Department of Finance under the advice of the Registrar General.

10. Comparative figures

Certain of the 2003 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2004.

The Property Registry

Schedule 1

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Operating Expenses

(In Thousands)

Year Ended March 31,	2004	2003
Better Systems Initiative	$ 1,406	$ 650
Computer processing	300	288
Department services	68	104
Desktop services	440	392
Equipment lease	61	49
Interest and bank charges	27	25
Occupancy costs	681	797
Office supplies and printing	177	196
Postage and delivery	187	203
Professional fees	42	28
Publications and subscriptions	20	21
Records preservation project	260	194
Repairs and maintenance	81	79
Special surveys	92	70
Sundry	11	8
Survey remonumentation program	151	151
Telephone	72	79
Training and staff development	35	43
Travel	22	34
	$ 4,133	$ 3,411

The Property Registry

Schedule 2

An Agency of the Special Operating Agencies Financing Authority - Province of Manitoba

Public Sector Compensation Disclosure

(In Thousands)
Year Ended March 31, 2004

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50,000 per annum. This information is as follows:

Employee	Position		Amount
Cavers, H. G.	Project Director, Business Services	$	76
Cavers, R. G.	Release Manager		60
Crockatt, D.	Registrar, Personal Property Security		67
Davidson, R. E.	Senior Deputy District Registrar		90
Drader, K. A. J	Public Service Manager		65
Effler, B. C.	Deputy Registrar General, District Registrar		103
Fraser, G. R. S.	Examiner of Surveys		81
Fraser, J.	Deputy District Registrar		90
Johnston, B. G.	District Registrar		77
Kushniruk, J.	District Registrar		100
Lillie, G.	District Registrar		77
Lund, G. A.	Deputy Examiner of Surveys		67
Madsen, B. O.	Acting Director of Operations		54
Pauls, I	Database Administrator		65
Russel, C.	District Registrar		77
Scott, G. D.	Assistant District Registrar		52
Shaw, C.	Manitoba Business Links Test Lead		56
Sims, E.	District Registrar		84
Stevenson, A.C.	Computer and Systems Coordinator		54
Strong, E.B.	Director, Finance and Systems		60
Wilson, R. M.	Registrar General and Chief Operating Officer		107

THE MANITOBA SECURITIES COMMISSION

Financial Statements

For the year ended March 31, 2004

BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors

THE MANITOBA
SECURITIES
COMMISSION

RESPONSIBILITY FOR FINANCIAL REPORTING

The Commission's management is responsible for preparing the financial statements and other financial information in the Annual Report. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements include amounts that are based on management's best estimates and judgments. The Commission's financial statements have been audited by BDO Dunwoody, independent external auditors.

30-405 Broadway
nnipeg, Manitoba
C 3L6
: (204) 945.2548
x: (204) 945.0330

The Commission maintains accounting and internal control systems to provide reasonable assurance that its financial information is reliable and accurate and that its assets are adequately protected.

The Commission's management meets regularly to review the financial statements and accounting practices. The auditors have free and full access to management, if required to discuss results of their audit and their views on the adequacy of internal controls and the quality of financial reporting.

On behalf of management,

Donald G. Murray
Chair and C.E.O.

Robert Bouchard
Chief Administrative Officer

Marlene Nemes
Controller

THE MANITOBA SECURITIES COMMISSION

Financial Statements
For the year ended March 31, 2004

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BDO

BDO Dunwoody LLP
Chartered Accountants
and Advisors
www.bdo.ca

700 - 200 Graham Avenue
Winnipeg Manitoba Canada R3C 4L5
Telephone (204) 956-7200
Telefax (204) 926-7201

Auditors' Report

To The Special Operating Agencies Financing Authority:

We have audited the balance sheet of **The Manitoba Securities Commission, An Agency of the Special Operating Agencies Financing Authority, Province of Manitoba** as at March 31, 2004 and the statements of income, retained earnings, reserve fund and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
May 18, 2004

THE MANITOBA SECURITIES COMMISSION

Balance Sheet

(in thousands)

March 31	2004	2003
Assets		
Current Assets		
Cash and short-term deposits (Note 2)	$ 3,314	$ 3,080
Accounts receivable (Note 3)	14	35
Prepaid expenses	37	25
	3,365	3,140
Restricted short-term deposits (Note 4)	1,000	1,000
Receivable from the Province of Manitoba (Note 5)	269	269
Capital assets (Note 6)	214	302
	$ 4,848	$ 4,711
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 31	$ 6
Accrued vacation entitlements (Note 7)	174	195
Accrued salaries and benefits	67	47
	272	248
Severance pay liability (Note 8)	154	164
	426	412
Commitments and contingency (Notes 9 and 12)		
Reserve Fund (Note 10) (Page 5)	1,000	1,000
Retained earnings (Page 5)	3,422	3,299
	4,422	4,299
	$ 4,848	$ 4,711

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Income

(in thousands)

For the year ended March 31		2004		2003
Revenue				
Fees	$	8,942	$	8,442
Interest		121		130
Miscellaneous		1		4
		9,064		8,576
Expenses				
Salaries and benefits		2,048		2,101
Operating expenses (Page 11)		1,007		910
Amortization - capital assets		186		185
		3,241		3,196
Net earnings for the year (Page 5)	$	5,823	$	5,380

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Retained Earnings

(in thousands)

For the year ended March 31		2004		2003
Retained earnings, beginning of year	$	3,299	$	3,514
Net earnings for the year (Page 4)		5,823		5,380
Disposition of surplus operating funds (Note 11)		(5,700)		(5,500)
Allocation to Reserve Fund		-		(95)
Retained earnings, end of year (Page 3)	$	3,422	$	3,299

Statement of Reserve Fund

(in thousands)

For the year ended March 31		2004		2003
Balance, beginning of year	$	1,000	$	905
Allocation from retained earnings		-		95
Balance, end of year (Page 3)	$	1,000	$	1,000

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION

Statement of Cash Flows

(in thousands)

For the year ended March 31	2004	2003
Cash Flows from Operating Activities		
Net earnings for the year	$ 5,823	$ 5,380
Adjustment for		
Amortization - capital assets	186	185
	6,009	5,565
Changes in non-cash working capital		
Accounts receivable	21	52
Prepaid expenses	(12)	5
Accrued liabilities	25	(41)
Accrued vacation entitlements	(21)	36
Accrued salaries and benefits	20	9
Severance pay liability	(10)	1
	23	62
	6,032	5,627
Cash Flows from Investing Activities		
Acquisition of capital assets	(98)	-
Transfer to restricted short-term deposits	-	(95)
	(98)	(95)
Cash Flows from Financing Activities		
Disposition of surplus operating funds	(5,700)	(5,500)
Net increase in cash and cash equivalents	234	32
Cash and cash equivalents, beginning of year	3,080	3,048
Cash and cash equivalents, end of year	$ 3,314	$ 3,080
Supplementary information:		
Interest received	$ 118	$ 127

The accompanying summary of signficant accounting policies and notes are an integral part of these financial statements.

THE MANITOBA SECURITIES COMMISSION
Summary of Significant Accounting Policies

March 31

Basis of Reporting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Capital Assets

Capital assets are recorded at cost and amortized over their estimated lives as follows:

Office equipment	20% straight-line
Furniture and fixtures	20% straight-line
Leasehold improvements	10% straight-line
Computer hardware	20% straight-line
Computer software	20% straight-line

The half-year rule is used in the year of acquisition.

Revenue Recognition

Fees and cost recoveries are recognized when received. Investment income is recorded on the accrual basis.

Financial Instruments

The Commission's financial instruments consist of cash and short-term deposits, accounts receivable, restricted short-term deposits, amounts due from related parties, and accounts payable and accrued liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

1. Nature of Organization

Effective April 1, 1999 the Lieutenant Governor in Council designated the The Manitoba Securities Commission as a special operating agency under The Special Operating Agencies Financing Authority Act (C.C.S.M. c.S185) by Order in Council No. 144/1999. The Order also gave approval to the Special Operating Agencies Financing Authority and the Minister of Consumer and Corporate Affairs, being the Minister responsible for the Commission, at that time, to enter into a management agreement with respect to the Commission.

The Management Agreement between the Financing Authority and the Minister of Consumer and Corporate Affairs assigns responsibility to manage the assets transferred to The Manitoba Securities Commission in delivering regulated services to clients.

2. Cash and Short-term Deposits

The Commission invests all surplus cash in short-term deposits with the Province of Manitoba, which are made up of thirty, sixty and ninety day callable term deposits.

3. Accounts Receivable

	2004	2003
Accrued interest	$ 12	$ 9
Trade	2	26
	$ 14	$ 35

4. Restricted Short-term Deposits

The Commission maintains separate short-term deposits with the Province of Manitoba to fund expenses which may arise with respect to the Reserve Fund (Note 10).

5. Receivable from the Province of Manitoba

The receivable from the Province of Manitoba is made up of vacation and severance pay entitlement earned by employees of the Commission prior to creation of the SOA as at April 1, 1999. This receivable, or portion thereof for the Commission, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of the Commission.

6. Capital Assets

	2004		2003	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	$ 28	$ 16	$ 26	$ 10
Furniture and fixtures	126	86	124	61
Leasehold improvements	113	46	113	34
Computer hardware	117	117	117	93
Computer software	604	603	603	483
Computer system conversion - work in progress	94	-	-	-
	$ 1,082	$ 868	$ 983	$ 681
Cost less accumulated amortization		$ 214		$ 302

7. Accrued Vacation Entitlements

The Commission follows the policy of the Department of Finance to recognize the vacation entitlement liability accumulated to March 31, 1999. The liability at this date is offset by a receivable from the Province and was $117 as at March 31, 1999. Any subsequent changes to the entitlement are reflected as a current year expense to the Commission. As at March 31, 2004 there was a decrease to the entitlement in the amount of $21. The accrued vacation entitlement was $174 as of March 31, 2004 (2003 - $195).

8. Severance Pay Liability

Effective April 1, 1999, the Commission began recording accumulated severance pay benefits for its employees. The estimate of the liability at that time was based on an actuarial valuation report.

The Province has accepted responsibility for the severance benefits accumulated by the Commission's employees to March 31, 1999. Accordingly, the opening severance pay liability balance as at April 1, 1999 calculated at $152 was completely offset by a receivable from the Province.

The report provides a formula to update the liability on an annual basis. In accordance with the formula, the Commission's actuarial liability has been calculated to be $154 as at March 31, 2004 (2003 - $164).

9. Lease Commitment

The Commission has not entered into a lease agreement with the Province of Manitoba for rental of facilities at 405 Broadway. Occupancy charges for the year ended March 31, 2004 were $143.

10. Reserve Fund

The Commission has established a Reserve Fund to finance extraordinary expenses for isolated and unanticipated purposes that are regulatory in nature, and for changes in market activity that have an effect on revenues.

11. Disposition of Surplus Operating Funds

The disposition of surplus operating funds consists of payments made to the Consolidated Revenue Fund of the Province of Manitoba according to Treasury Board Directives.

12. Contingency

The Commission has been named as defendant in a statement of claim. At the time of preparation of these financial statements, the outcome of this claim was undeterminable. The cost of a future settlement, if any, will be reflected as an expense in the year paid.

THE MANITOBA SECURITIES COMMISSION
Schedule of Operating Expenses
(in thousands)

For the year ended March 31

		2004	%		2003	%
Contract services	$	**394**	**39**	$	332	37
Premises		**147**	**15**		140	15
Office materials and supplies		**100**	**10**		88	10
Professional services		**72**	**7**		87	10
Travel		**72**	**7**		66	7
Telecommunications		**58**	**6**		59	6
CSA initiatives		**36**	**4**		41	5
Research resources		**34**	**3**		30	3
Education/Information initiatives		**36**	**3**		26	3
Staff development		**21**	**2**		18	2
Miscellaneous		**27**	**3**		13	1
Professional membership and dues		**10**	**1**		10	1
	$	**1,007**	**100**	$	910	100

THE MANITOBA SECURITIES COMMISSION

Schedule of Public Sector Compensation Disclosure

(in thousands)

For the year ended March 31, 2004

Employee	Title	Compensation
Don Murray	Chairman & CEO	$ 120
Bob Bouchard	CAO & Director of Capital Markets	88
Doug Brown	Director of Legal & Enforcement & Secretary to the Commission	103
Chris Besko	Assistant Legal Counsel	80
Kim Laycock	Assistant Legal Counsel	82
Steven Gingera	Assistant Legal Counsel	77
Marlene Nemes	Controller	50
Wayne Bridgeman	Senior Analyst	58
William Baluk	Deputy Registrar - Compliance	62
Chris Kowalski	Deputy Registrar - Real Estate	54
Jan Banasiak	Senior Investigator	54
Jason Roy	Investigator	57
Isilda Tavares	Registration Officer	57

The Public Sector Compensation Disclosure Act requires all publicly funded bodies to disclose compensation to any employee or board member when such compensation exceeds $50 per annum.